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Hun Sen Urges More Japan Aid to UN Peace Team

OW1903123692 Tokyo KYODO in English 1207 GMT 19 Mar 92

[Text] Phnom Penh, March 19 KYODO—Cambodia's Prime Minister Hun Sen urged Japan Thursday to donate more money to the United Nations forces in Cambodia.

Meeting Japanese reporters, he warned that a severe fund crunch might strip U.N. peacekeeping forces of the muscle to deter Khmer Rouge attacks. Hun Sen is scheduled to leave for a visit to Japan Saturday.

"If U.N. (peacekeeping) activities in Cambodia should suffer a fund shortage, it would make a political solution an impossibility, enabling the Khmer Rouge to resurrect itself," said Hun Sen.

Hun Sen was referring to the finances of the U.N. Transitional Authority in Cambodia (UNTAC), which Sunday began monitoring compliance with a 1991 truce signed by Cambodia's four rival factions.

His comment followed a similar comment from UNTAC Chief Yasushi Akashi in Japan's Diet on March 13 that Japan should shoulder one-third of the UNTAC costs, estimated at 2.8 billion dollars.

The UNTAC budget is to cover expenses for peacekeeping duties, disarming the heavily armed factions, supervising elections, repatriating 370,000 refugees now in Thai camps, and reconstructing the war-ravaged nation.

Japan expressed willingness Tuesday to provide 52 million dollars to pay the initial costs of the UNTAC activities and for funding the refugee repatriation program.

Hun Sen also called on Japan to send troops and policemen to Cambodia to join the UNTAC forces.

Hun Sen is expected to repeat his requests for more aid when he meets with Foreign Minister Michio Watanabe. He also may meet Prime Minister Kiichi Miyazawa, if the premier's schedule allows, to press his case. He will leave Tokyo for the United States Monday.

Hun Sen said, that although Japan's contributions of money and civilians for UNTAC activities are laudable, his government wants Japan to do more, including sending a contingent from Japan's Self-Defense Forces and policemen to back UNTAC operations.

His request followed recent reports in which U.N. officials accused the Khmer Rouge of launching coordinated infantry and rocket attacks against the Phnom Penh government's troops in the most serious combat in more than a year.

Hun Sen brushed aside some Asian nations' anxieties about a possible resurgence of the Japanese militarism that led to the Pacific war in World War II.

"Their memories of the World War II (aggressions) belong to something of the past and are irrational," he said.

Thai Premier Opens Regional Drug Control Talks

BK1303114992 Bangkok Radio Thailand Network in Thai 0530 GMT 13 Mar 92

[Text] The first ministerial meeting on narcotics prevention and suppression among Laos, Burma, and Thailand was opened at the Government House this morning. In his opening speech, Prime Minister Anan Panyarachun said that his government, which is completing its term soon, is proud that the general election in line with the democratic system will be held on 22 March. He is proud that the neighboring countries of Thailand, Laos, and Burma are meeting together for the first time in 30 years. Previously, each country tackled the narcotics problem in its own way. This is a good indication of the intention of the three countries to overcome the narcotics problem seriously and to expand cooperation to countries in the Asia-Pacific region. The prime minister said that we hope and are sure that the next government will continue this kind of cooperation and will help create awareness in the governments of all three countries toward cooperation in planning for narcotics suppression and expanding the cooperation to other interested countries.

Cooperation Treaty Signed

BK1403145092 Bangkok Army Television Channel 5 in Thai 1230 GMT 14 Mar 92

[Text] The signing of a draft cooperation treaty on drug suppression among Thailand, Laos, and Burma took place at Dusit Thani Hotel this afternoon. The event reflects the determination of the three countries to solve the problem of narcotics trafficking. The treaty calls upon all countries—producing, transit, or destination countries, to step up controls on chemicals used in manufacturing narcotics and hallucinogens. The three signatory countries agreed to promote cooperation in reducing the supply and demand for narcotics through exchanges of information, data, training, and management, in order to enhance efficiency in eliminating the narcotic crops.

Speaking on this occasion, Deputy Prime Minister General Phao Sarasin, chairman of the Narcotics Prevention and Suppression Board and head of the Thai team, said the signing of the treaty today is the beginning of joint efforts by the three countries in concrete cooperation.

Japan

Miyazawa Explains Stand on Rice, Talks Deadlock

OW1903100392 Tokyo NHK General Television Network in Japanese 0300 GMT 19 Mar 92

[Text] Referring to the issue of opening the rice market at the upper house budget committee session today, Prime Minister Miyazawa indicated that the major reason why GATT's Uruguay Round of trade talks has reached a deadlock is the delay caused by coordination between the United States and the EC, and expressed the view that Japan should watch cautiously how negotiations progress between the United States and the EC.

At today's upper house budget committee session, Mr. Maki Murasawa of the Social Democratic Party of Japan, who was speaking from the stand of objecting to the opening of the rice market, questioned the government's measures regarding the GATT's Uruguay Round of trade negotiations.

In this connection, Prime Minister Miyazawa said that the negotiations at the GATT's Uruguay Round are being carried out on various issues with contrasting views existing between the United States and the EC. The negotiations have failed to bridge the gap and have not reached a settlement. He added that Japan is continuing negotiations with relevant countries to seek their understanding of Japan's stand as a food importing country, though Japan has not yet reached a point when he or Foreign Minister Watanabe has to go out to appeal to various countries.

Thus, speaking in this fashion, Prime Minister Miyazawa expressed the view that, for the time being, Japan should adopt a wait-and-see attitude toward the progress of negotiations being conducted between the United States and the EC at the GATT's Uruguay Round in the agricultural sector.

Reportage on Restriction of Car Exports to U.S.

MITI Decides To Tighten Limits

OW1903025392 Tokyo KYODO in English 0221 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—The Ministry of International Trade and Industry will tighten voluntary limits on car exports to the United States for fiscal 1992, ministry sources said Thursday.

The ministry's decision to continue the voluntary restraints into the year starting April 1 would extend them to their 12th year, even though Japanese car exports to the United States have been below the self-imposed quota since fiscal 1987.

The tightened restrictions call for limiting the number of cars exported to the United States to less than two million—perhaps around 1.7 million—from the current 2.3 million limit, the sources said.

The trade minister, Kozo Watanabe, will announce the decision at noon Thursday, they said. Watanabe told a Thursday morning press conference he wants to make an announcement on auto exports "today."

"My philosophy is that Japan-U.S. relations are quite important," he said. "In my view, economic policy must be developed to get Japan-U.S. relations better."

Watanabe said he wants to decide on auto exports "within the framework of my philosophy."

Trade Minister Watanabe Comments

OW1903061892 Tokyo KYODO in English 0536 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—Japan said Thursday it will cut the number of autos it exports to the United States in an effort to head off growing U.S. calls for protectionism.

Trade Minister Kozo Watanabe announced at a noon press conference that Japan will slash its self-imposed export lid to 1.65 million vehicles a year from the current 2.3 million.

"The action was taken in consideration of the significance of coexistence and coprosperity of Japanese and U.S. auto industries, which are essential for maintaining the free-trade system," he said.

The export ceiling was imposed in 1981 under stiff pressure from Washington and the U.S. auto industry, which said it needed a breather from competition to revitalize. Though the U.S. stopped asking for continued restraints in 1985, Japan decided to keep them in place in fear of drawing fire from Congress and the U.S. auto industry, which is now mired in a prolonged slump.

Thursday's decision by the Ministry of International Trade and Industry (MITI) to extend the curb to the fiscal year starting April 1 will bring the quotas to their 12th year.

Watanabe said cutting the quota limit is intended to ensure that Japanese auto exports to the U.S. market remain under control amid recovering U.S. auto demand and to help U.S. automakers facing serious hardships.

Japanese auto shipments to the U.S. market have been declining steadily in recent years, running well below the annual ceiling of 2.3 million. Exports for the current fiscal year to March 31 are estimated at 1.73 million vehicles, down from fiscal 1990's 1.85 million and the 1.95 million for fiscal 1989. The new ceiling is set at about 5 percent less than the estimated fiscal 1991 exports.

The MITI head acknowledged, however, that it might be difficult for the new curb to satisfy everyone in the U.S., where opinions are far from monolithic.

"We have four options—whether to maintain the ceiling at the current level, to scrap it, to cut it to the level of

fiscal 1991 exports, or to reduce it below that," Watanabe said. "We've known none of them can be satisfying enough for everybody concerned."

He added, "I became MITI chief at the worst time."

Japanese auto companies will "understand" the ministry's action, as they "share with us the perception that coprosperity with the U.S. auto industry is most important for the industry, whose success has been heavily dependent on the U.S. market," Watanabe said.

He said MITI has yet to decide company-by-company export quotas.

Asked about concerns [words indistinct] might lead to price hikes on Japanese auto exports, Watanabe said U.S. consumers will not suffer from the reduced exports as increased production by Japanese automakers' plants in the U.S. can offset the export dip.

Watanabe also acknowledged criticism that the bilateral export lid is a kind of managed trade, which goes against the free-trade spirit of the General Agreement on Tariffs and Trade (GATT), especially at a time GATT-sponsored global trade talks are moving to ban such "gray-zone" steps as export controls.

"It would be best if we could maintain free trade without resorting to such measures," the MITI chief said. "But staving off protectionism or regionalism in the U.S. will mean advancing free trade after all."

Watanabe also indicated Japan will eventually end the voluntary curbs, saying the government will take "necessary measures" if the they are seen to conflict with GATT rules.

He indicated that Japan has no plans to cut similar limits on its auto exports to the European Community (EC), calling the two cases "entirely different." But many expect the latest Japanese step to attract criticism from the 12-nation trading bloc.

Indeed, after Japan agreed to substantially boost its imports of American autos and auto parts during President George Bush's January visit, the EC immediately criticized Japan for failing to treat its trading partners evenly.

Industry Reacts to Exports Curb

OW1903082792 Tokyo KYODO in English 0743 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—Japan's automakers will only grudgingly follow a newly announced government policy requiring the industry to cut its voluntary limit on auto exports to the United States, industry sources said Thursday.

Many people within the industry are critical of the Ministry of International Trade and Industry (MITI) announcement requiring the export lid to be cut to 1.65 million vehicles for fiscal 1992 which starts on April 1 from the current 2.3 million, the sources said.

But they said automakers have no choice but to resign themselves to the fact that Japan cannot afford to further worsen crucial ties with Washington, which has been complaining about the persistent trade gap with Japan.

Shoichiro Toyoda, president of Toyota Motor Corp., said, "We think the Japanese Government came to this decision after careful consideration of all the factors involved."

"We believe that free trade is ultimately the best direction, but we respect the government's decision and we will abide by it," he said, adding that the U.S. Big Three will recover as quickly as possible.

Yoshihide Munekuni, vice president of Honda Motor Corp., said, "We think we shouldn't have such a restriction from the viewpoint of a free-trade system, but we will respect the government decision which we know was taken in view of the current difficult state of Japan-U.S. ties."

But an official with another major automaker was not as understanding, saying, "We have done whatever we can for the U.S. Do we really need to do more?"

The announcement came only a few months after MITI ordered the Japanese auto industry to compile plans for a sizable increase in their purchases of American automobiles and auto parts in time for U.S. President George Bush's visit to Japan last January.

Some industry officials also were worried that the latest Japanese move might prompt the European Community (EC) to call for the same preferential treatment that Tokyo gives to U.S. automakers.

"What worries us most is that this increasing trend toward bilateral managed trade will spread to the EC," an official said.

Other officials voiced concerns that the voluntary ceiling has little real meaning for the automobile sectors both in Japan and the U.S.

Japanese auto exports to the U.S. market have been for years running well below the 2.3 million vehicle-per-year ceiling, with shipments estimated at 1.73 million units for the current 1991 fiscal year. The figure was 1.85 million in fiscal 1990 and 1.95 million in fiscal 1989.

Curb Viewed as Managed Trade

OW1903103492 Tokyo KYODO in English 1002 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—When Minister of International Trade and Industry Kozo Watanabe announced a cut in Japan's auto export ceiling for the U.S. on Thursday, he justified the move as "essential for maintaining the free-trade system."

But the action represents a diversion from, rather than a step toward, the very goal he wants to achieve, analysts say.

They think MITI [Ministry of International Trade and Industry] is so anxious to ease growing anti-Japanese sentiment among U.S. citizens that it cannot leave bilateral auto trade to follow a natural course and has resorted to the old trick of managed trade.

"Japan and the U.S. are talking about free trade, but what they are actually doing is nothing but managed trade," said Takashi Hoshino, chief economist with the LTCB Institute of Research and Consulting Inc.

"By tightening export controls, MITI is sending a misleading signal to Washington that it is powerful enough to control the industry as it wants," he said.

MITI announced that it will slash the more-than-decade-old auto export lid for the U.S. to 1.65 million units in fiscal 1992 from the current 2.3 million in a bid to stop the accelerating trend toward protectionism and regionalism in the United States.

Watanabe said at a press conference it would be best if free trade could be maintained without resorting to managed trade.

But he said the measure is still a step in the right direction as it aims to avert protectionism and other trends in the U.S., which are likely to intensify if Tokyo does nothing about the bilateral auto trade issue.

Fears of increasing Japan-bashing set the stage for the action plan, announced during U.S. President George Bush's recent visit, which features increased Japanese purchases of U.S. cars and parts.

But some analysts question the reason for the new government control as Japanese auto exports have been running well below the government-imposed lid for years.

Japan's auto shipments to the U.S. market are likely to be around 1.73 million units in fiscal 1991, compared with 1.85 million in 1990 and 1.95 million in fiscal 1989.

"The government should have scrapped the name-only restrictions all together," Hoshino said.

He also said Japanese auto companies will reduce U.S.-bound exports regardless of government regulations as they are shifting from the traditional management strategy of seeking larger sales even at small profit margins.

An analyst with a major Japanese bank also said the ceiling cut will benefit nobody in either the Japanese or U.S. auto industries, as the scale of the reduction is too minor to make U.S. automakers happy. He puts total auto sales in the U.S. market at 8.8-9 million units in calender 1992, which makes the cut a drop in the bucket.

The move will be a double blow for Japanese car makers, especially smaller ones, which are suffering from the slowing national economy.

"Anemic domestic demand makes them unable to increase domestic output, and they cannot boost exports because of this. The restriction is depriving small auto firms of ways to survive," he said.

The economist, who requested anonymity, was also critical of the government's random auto policy.

"The philosophy behind the curb has greatly changed over the last decade," he said. "What started as a once-only step has been steadily incorporated into Japan-U.S. relations."

The voluntary curb was first imposed in fiscal 1981 as "a temporary measure" to help the then slumping U.S. auto industry retrench and restructure.

But the announcement of the restraint turned into an annual spring ritual and Japan has maintained it ever since, even after the U.S. Government stopped asking for its renewal in 1985.

The economist at a private think tank said Japan and the U.S. need to rethink whether it is really valid to reduce the bilateral trade issue to just one sector.

Yutaka Kume, president of Nissan Motor Co., said the government's decision to sharply lower the voluntary ceiling on car shipments to the U.S. has been unavoidable.

He told reporters in Tokyo that he has thought it advisable to let the self-imposed ceiling fade out. The government's decision, however, is probably based on its overall judgment of the two countries' relations, he said.

Asked about the fear that a sharp reduction in the voluntary car export limit may cause a shortage of Japanese cars on the U.S. market, Kume said, " perhaps not."

The executive said the U.S. Big Three automakers should use this opportunity to their advantage.

Kato Says Measure Necessary

OW1903083992 Tokyo KYODO in English 0815 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—Japan's decision to voluntarily lower a lid on auto exports to the U.S. will not lead to managed trade in other sectors, the top government spokesman said Thursday.

Kato cited the precedent behind the 1981 imposition of a ceiling on auto exports as the reason why the new measure will not cause a chain reaction involving other types of exports.

"This measure is necessary to support smooth trade relations between Japan and the U.S. based on past

examples, I don't think it will overflow into other areas," Kato told a regularly scheduled news conference.

Earlier in the day, Trade Minister Kozo Watanabe announced that Japan would reduce a self-imposed ceiling on vehicle exports in fiscal 1992 from 2.3 million to 1.65 million.

The restrictions are seen as a bid to offset calls in the United States for protectionist policies.

Okinawa Officials To Suspend U.S. Contract

OW1903094492 Naha RYUKYU SHIMPO in Japanese 19 Mar 92 Morning Edition p 1

[Text] As of 18 March, three key Okinawa prefectural government officials had held a meeting to discuss the issue of the land-lease contract for prefecture-owned lands used by the U.S. military. At the meeting, the officials came to the conclusion that they will "suspend the land lease contract that was to have been renewed automatically." The officials plan to disclose their decision at the standing committee of the prefectural assembly session scheduled for 23 March. The land-lease contract for the prefecture-owned lands for fiscal 1991 was renewed automatically because there was no objection. However, this year, the prefectural office has shelved the appropriation of revenues obtained from land rent from general accounts of the fiscal 1992 budget. In this connection, attention has been focused on the prefectural government's stance on the issue of the land-lease contract for the U.S. military. In the eyes of the law, such a decision would mean that the prefectural government would refuse to renew the land-lease contract for fiscal 1992. This decision means it is most likely that after 1 April the prefecture-owned lands on the bases of the U.S. military and the Self Defense Forces [SDF] will be "used illegally."

The legislation of a bill on special measures for promotion of utilization of military land after its return aims at establishing a fundamental system on the methods of returning the land and on utilization of the land. However, the central government has persistently taken a negative approach toward this issue, and the prefectural government's dissatisfaction with this approach must have strongly affected its decision to refuse to sign the contract on the use of military land that belongs to the prefectural government.

The total area of prefecture-owned lands (common property) which is subject to the contract renewal under civil law is 804 hectares, of which 350 hectares are state forest lent by the Forestry Agency under the so-called Imperial Ordinance to Okinawa Prefecture. Included in the prefecture-owned lands are 585 hectares in the northern training area; 208 hectares at Camp Schwab; 4 hectares on Kadena Air Base; 4 hectares at Naha military port; and 2 hectares at the Air SDF Naha base.

On 17 March the three key government officials met to discuss the prefecture's stance on the matter. At the meeting, a cautious view attaching importance to the government's moves was expressed, saying: "From the standpoint of administration, we need to renew the contract as in the past." Meanwhile, an opposition view was expressed, saying: "We need to make progress in base issues by clearly indicating the prefectural government's position." Although there was a difference of views, they finally came to the conclusion that the prefectural government would suspend automatic contract renewal without changing the budget plan so that the budget bill for fiscal 1992 could be adopted at the current prefectural assembly session.

This decision was made on the basis of the prefectural government's interpretation that since it is a yearly contract, an objection should be raised within the contract period if the contract is not to be renewed. However, there is a difference of opinion between Okinawa Prefecture and the Defense Facilities Administration Agency [DFAA] on "illegal utilization" of lands after 1 April, because the DFAA maintains its position that the DFAA has a title to the utilization of lands for 20 years beginning in 1982, when the first land-lease contract was drawn up under civil law.

In the future, the prefectural government will be forced to study whether it should accept the rents for military land, as it used to through a form of signing a memorandum under the reformist governors Yara and Taira, or persist in rejecting the contract renewal and accept the rents in the form of deposits, just as the Naha City government has been doing.

Among top prefectural leaders, there are moves toward settling the situation peacefully to avoid discord with the central government over such issues as Okinawa prefecture's executing public notification on forced use of land for military purposes. Since there will be deliberations on the draft budget at the prefectural assembly, matters are still in flux.

Major Progress Not Expected on Territory Issue

OW1903023292 Tokyo KYODO in English 0207 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—Japan expects to engage in "very important" talks with Russian Foreign Minister Andrey Kozyrev this week but Russia's domestic situation will not permit major progress toward resolving a longstanding territorial dispute, the top government spokesman said Thursday.

Kozyrev arrives Friday for a four-day visit during which he will hold three rounds of talks with Foreign Minister Michio Watanabe.

"We have to be careful not to be too optimistic by expecting dramatic progress toward a resolution to the territorial issue. We must take into consideration Russia's domestic situation," Chief Cabinet Secretary Koichi Kato told a news conference.

Kato said Japan hopes to discuss the dispute over four islands off Hokkaido from the perspective of "law and justice."

Tokyo, however, also plans to give consideration to Russia's difficulties at home as it introduced radical economic reforms, he added.

Japan is demanding the return of the islands, which were occupied by the Soviet Union at the end of World War II, as a condition for concluding a peace treaty.

Russian Foreign Minister Kozyrev Arrives 19 Mar

OW1903120392 Tokyo KYODO in English 1153 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—Russian Foreign Minister Andrey Kozyrev arrived here Thursday for talks with Japanese leaders on a territorial dispute over four Russian-held islands off Hokkaido that have long blocked progress in bilateral relations.

Kozyrev will hold three rounds of talks with Foreign Minister Michio Watanabe on Friday and Saturday, while holding a string of separate talks with Prime Minister Kiichi Miyazawa, and former Premiers Noboru Takeshita and Yasuhiro Nakasone, Foreign Ministry officials said.

His arrival marked the first visit by a Russian foreign minister since the dismemberment of the former Soviet Union last December. He is scheduled to leave for Moscow on Sunday.

The Japanese Government plans to urge Kozyrev to take a concrete step toward an early solution of the territorial wrangling ahead of a planned visit by Russian President Boris Yeltsin in September, the officials said.

A senior Foreign Ministry official said on condition of anonymity that the government would seek to secure Kozyrev's consent to "conclude a Japan-Russia peace treaty when President Yeltsin pays a visit to Japan in September."

The peace treaty, if concluded, would formally thaw the icy bilateral relations since World War II. The now-defunct Soviet Union, from which Russia vowed to take over international treaties and obligations, failed to join 49 signatories to the 1951 San Francisco Peace Treaty that resumed diplomatic ties between Japan and most of the allied powers.

A high-ranking Foreign Ministry official, who requested anonymity, said Japan will seek to achieve progress in talks with Kozyrev in securing a Russian confirmation of the legitimacy of the 1956 Japan-Soviet Joint Declaration.

In the declaration, by which bilateral diplomatic relations were restored, the former Soviet Union pledged to return two of the four disputed islands—Shikotan Island and the Habomai group of islets.

The two islands, and Kunashiri Island and Etorofu Island fell into the hands of the former Soviet Union after the end of World War II.

The joint declaration was virtually repudiated by the Soviet Union when Moscow was angered at the 1960 Japan-U.S. Security Treaty binding the two in a closer alliance.

A ministry source said, "President Yeltsin has not made a decision" to return the four islands in view of strong dissent in the Russian public to the restitution of the islands back to Japanese jurisdiction.

Former Soviet President Mikhail Gorbachev pleaded for full-fledged Japanese financial assistance and investment during his visit to Japan last April, but got nowhere in the face of the Japanese stand linking full-scale financial aid to a marked progress in the territorial dispute.

Joint Ruble Stabilization Fund Said Considered

OW1903124492 Tokyo KYODO in English 1212 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—A high-ranking Foreign Ministry official said Thursday Japan may give positive consideration to the creation of a ruble stabilization fund, if Russia meets a set of conditions.

The conditions include Russia's entry into the International Monetary Fund (IMF) and a decision on an economic reform program, the official, who declined to be identified, said.

The creation of the fund was proposed at a meeting of finance ministers and central banks of the Group of Seven (G-7) industrial nations.

The official said Tokyo would study the creation of the fund jointly with other nations.

Japan has so far shown littlle enthusiasm about the establishment of such a fund and the extension of other means of financial assistance to Russia due to meager prospects of improvement in the country's economic structure.

The official also said the former Soviet Union's refusal to return to Japan four disputed islands off Hokkaido seized in the closing days of World War II by the Red Army has also contributed to Tokyo's reluctance to provide Russia with financial aid, said the official.

Further on Visit of Peruvian President Fujimori

Interview on Economy, Drugs

OW1903083092 Tokyo NHK General Television Network in Japanese 1405 GMT 18 Mar 92

[Interview with Peruvian President Alberto Fujimori by NHK announcers Shinichi Yamane and Aiko Doden;

Shigeo Osonoi, of the Institute of Developing Economies, formerly second secretary at the Japanese Embassy in Peru, was also present at the interview on 18 March at the NHK studios; from the "Midnight Journal" program—live; Fujimori speaks in Spanish with simultaneous interpretation in Japanese and the interviewers speak in Japanese]

[Excerpts] [passage omitted] [Doden] This July, you will have been the president of Peru for two years.

[Fujimori, in Japanese] Yes, it will be two years.

[Doden] When you assumed the presidency, did you think that you took the post at a very bad time?

[Fujimori] Well, yes. It was a very difficult time; however, after a year, there has been great progress. I think this was because of the understanding of the Peruvian people. I think we have done well.

[Osonoi] Needless to say, the Peruvian people's understanding was important. Aside from this, I am greatly impressed by the president's spiritual strength and courage.

[Fujimori] Well, the Peruvian people have great trust in the government. We have been able to implement the economic plan because of this.

[Yamane] After assuming the presidency, President Fujimori, you implemented very drastic economic policies. In the beginning, I think there were people who doubted your ability to salvage the Peruvian economy. In fact, the inflation rate has dropped from 7,650 percent in 1990 to 140 percent in 1991. The economic growth rate has also improved from—11.6 percent in 1989 to 2.4 percent in 1991. I am amazed at this impressive achievement. Mr. President, what do you think about this?

[Fujimori] It is part of my economic plan. The results are wonderful. My government started at a time when the economic situation was running wild and out of control. Under the present circumstances, I expect that the inflation rate for this year will not exceed 40 percent. The financial situation has also improved tremendously. Therefore, I think prospects are very bright. We have also received substantial aid from the Japanese Government.

[Osonoi] This year's inflation rate will be around 40 percent. I think the stabilization of the economy itself will still take time. Thus, the Peruvian people will have to endure some more hardships. International assistance, led by Japan, will be necessary. Mr. President, how far would you like to develop the economy during your term of office?

[Fujimori] First, what we need to do is to implement the economic stabilization program. At the same time, we are undertaking structural reform. The basis of this is the market economy. Competition should be taken as the basic principle in various fields. Of course, this program is being implemented simultaneously with our other objectives. With this, I would like to make Peru the strongest economy in Latin America.

[Doden] Usually, when such drastic reforms are implemented, one's popularity rating drops sharply. This does not seem to be the case in Peru. Is the rating still 60 percent?

[Fujimori] That was before I came to Japan. [laughter] Before I came to Japan, it was 70 percent, and not 60 percent. Since I have been able to obtain the assistance of the Japanese Government and people during this visit, I hope to raise the support rate some more.

[Yamane] You have done a great job. So far, you have implemented drastic—or shall we say, tough—economic measures one after the other to achieve the present figures. This has even been termed "Fuji shock." I think, in cases like that, usually there would be strong resistance from the people. But the Peruvian people endured it all quietly. Why?

[Fujimori] To be honest, the economic measures were very difficult. For example, the price of gasoline rose 25 times in a day. A thing like that was very difficult. One gallon used to be 6 centavos—although that was not the actual price. After the gasoline price increase, the people accepted it relatively quietly and coolly. This is because they had great trust in the government—although some people did distrust the government. This had to be changed, and I decided to do something about it. I think the people understood this. I am trying to implement social justice in our country. [passage omitted]

[Doden] About potato, tomato, and sweet potato production—what do you think of this as a measure to encourage diversification from cultivating coca—which also is a financial source for terrorism?

[Fujimori] What I would like to say here is that there are 25,000 families engaged in coca cultivation. These people engaged in narcotics cultivation are subject to grave exploitation. They earn only $400 a year. Therefore, we contacted the farmers' organization and made crop diversification possible; however, cooperation with cocaine-consuming countries is also necessary. I would also like to tell the United States that cocaine is not only a problem for our country, but also a problem for consumer countries. My impression is that these countries are not yet fully aware of the seriousness of this problem.

[Doden] Cocaine is a complicated problem for Peru, Mr Osonoi.

[Osonoi] That is true. There are guerrillas in coca-producing areas. There is also the problem of how to separate them from the farmers. The president has put forth the famous Fujimori doctrine and is in the process of promoting cooperation on this with the United States.

[Fujimori] Yes. Well, what we are trying to do here is to make crop diversification attractive to farmers. With this, the farmers, also feeling pressure from the police,

will stop planting coca and diversify to other crops. Terrorism is being perpetuated in relation to narcotics. The Mafia is involved here.

[Yamane] Mr. President, the coca-producing areas are located east of the Andes in the Amazon area. Aside from terrorism and narcotics, this area is receiving a lot of attention in terms of the environmental problem. Do you have a concrete plan on how to arrive at a comprehensive solution to the problems affecting this area—terrorism, narcotics, environment—to give new life to this region, particularly in view of the fact that the Earth Summit is going to be held in Brazil in June?

[Fujimori] It is important to solve this problem as soon as possible. Coca and poverty are crucial issues. Each year about 300,000 hectares are being destroyed. Thus, this is a very basic problem. It is necessary to deal with it efficiently. The issue of environmental conservation cannot be dealt with without solving this problem. This is because in many cases, substances very harmful to the plants and animals are being used.

[Yamane] Are these being used in producing coca?

[Fujimori] No. They are used in processing—for example, when producing sulfuric acid. Sometimes, they are discarded into the rivers.

[Osonoi] Cocaine sulfate, that pastelike semifinished product of cocaine. During that stage, a lot of sulfuric acid and alcohol is used. These are thrown into the Amazon River, creating environmental problems. [passage omitted]

[Doden] When thinking about Japanese-Peruvian relations and the future, I think there are many possibilities; however, we cannot help recalling such unfortunate incidents as the shooting of Japanese technicians by terrorists last July. Regarding such terrorists activities, I am quite impressed with the fact that you have personally gone to the conflict areas and have been taking a firm attitude. In the future, what measures are you are going to take?

[Fujimori] There are various strategies and legal measures being considered. In terms of strategy, this has been going on since the beginning of my administration. In rural areas, terrorism has been suppressed to a certain extent. In these rural areas, residential self-defense organizations, particularly by peasants, have achieved great results; however, there are two exceptions. As to the university belt, I have just visited the place. If you ask what our objective is, it is to encourage people to fight against terrorism themselves. I think they should not remain spectators and should participate in this fight against terrorism. In that sense, results cannot be achieved in a short time. This problem is a deep-rooted one which has developed over the past 11 years. But I think we can say that there has been great progress, and the situation has improved a lot. I would like to solve the terrorism problem before the end of my term.

[Yamane] I see.

[Doden] Three more years to go. [laughter]

[Yamane] Peru has been home to many Japanese immigrants since the old days. I tend to think of our countries as brothers. During your present visit, you have signed agreements with the Japanese Government on 13 billion yen in loans and 3.5 billion yen in grants. How do you intend to make use of this Japanese assistance in Peru?

[Fujimori] I would like to say this specifically to my Japanese friends. The help from Japan and the Japanese people means a lot. I have been personally involved in this, so I would like to use it for its planned purposes. The purpose of this aid—for instance, in the case of the grants—they can be used for purchasing machinery and other materials to be used in solving short-term problems. Furthermore, the supply of $27 million in funds will be used in constructing schools. We would also like to use $100 million in a financial aspect.

[Doden] The last time you came, you said Japan's reception was neither warm nor cold. How do you evaluate your present visit?

[Fujimori] Well, there was a snowfall, [laughter] but the reception has been very warm. Disregarding the weather, I have been warmly welcomed. I have been very warmly received during this present visit. I would also like to express my profound gratitude here to the Japanese Government and people for their willingness to help Peru. I assess my visit to be warm or hot. [laughter] [passage omitted]

Expansion of Economic Ties Urged

OW1903084492 Tokyo KYODO in English 0754 GMT 19 Mar 92

[Text] Osaka, March 19 KYODO—Peruvian President Alberto Fujimori expressed hope on Thursday that economic relations between Japan and Peru would expand.

Addressing a luncheon meeting attended by local government and business leaders, Fujimori said Peru hopes to strengthen ties with Japanese corporations in business areas such as investment, trade, and tourism.

Fujimori, son of Japanese emigrants to Peru, arrived in Tokyo on Sunday for a weeklong visit to Japan. He held talks with Japanese Prime Minister Kiichi Miyazawa and had an audience with Emperor Akihito at the Imperial Palace.

Prior to the luncheon, Fujimori and his party visited a factory of Komatsu Ltd., a leading construction machinery maker, and the headquarters of Matsushita Electric Industrial Co., the consumer elecronics maker.

The Peruvian president told Matsushita officials that Peru will open its doors for Japanese enterprises just as it did for Japanese emigrants a century ago.

Fujimori later proceeded to Nagoya, a business center between Tokyo and Osaka. He is scheduled to visit Kawachi, the hometown of his parents on Japan's southernmost main island of Kyushu, before ending his Japan tour.

Tokyo 'Expects Improved Relations' With RSA

OW1903030992 Tokyo KYODO in English 0227 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—Japan expects improved relations with South Africa [RSA] following a vote by whites to continue dismantling apartheid, the top government spokesman said Thursday.

"We wanted (South Africa) to go in that direction, so I expect good relations will be advanced," Chief Cabinet Secretary Koichi Kato told a regularly scheduled news conference.

South African Foreign Minister Roelof "Pik" Botha is scheduled to visit Japan on Monday and Tuesday for talks with Foreign Minister Michio Watanabe on a possible visit to Tokyo by President F.W. de Klerk in June and on closer economic relations.

Kato also said he hopes Tuesday's referendum would provide impetus to the reform process.

Some 69 percent of white voters Tuesday threw their support behind De Klerk to continue power-sharing negotiations with blacks and other groups.

More Referendum Outcome Comments

OW1903114992 Tokyo KYODO in English 1103 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—Japan on Thursday lauded South Africa's referendum vote which approved sharing power with the black majority, but Japanese business interests said political stability still remains the key to greater investment.

"We wanted (South Africa) to go in that direction, so I expect good relations will be advanced," Chief Cabinet Secretary Koichi Kato said after nearly 69 percent of the white electorate voted in favor of president F.W. de Klerk's reforms.

A Foreign Ministry official said that "the respectability of the De Klerk government was enhanced enormously because of the victory. I think it will have a very positive impact on all of us, including the private sector."

The official, who requested anonymity, said that the referendum had been a "great process of education for the South African whites."

De Klerk called the referendum after suffering a major defeat in a by-election that was widely seen as an indication of public dissatisfaction with the sweeping reforms he has introduced over the past two years.

The referendum victory was "very good publicity" and paves the way for a visit to Japan by President de Klerk, the official said.

Foreign Minister Roelof "Pik" Botha is due to arrive in Tokyo on Monday to discuss a possible presidential visit to Japan in June.

Strengthening economic relations is expected to be high on Botha's agenda when he meets with Foreign Minister Michio Watanabe for the first round of foreign ministerial talks in over five years.

The private sector echoed the government's enthusiasm, but business interests were cautious about immediate increases in trade and investment.

An official at the Bank of Tokyo said that private-sector loans would probably remain on hold until U.S. local governments lift sanctions on lending.

"We are receiving some pressure from U.S. states, so we have to be very cautious in promoting business relations with South Africa," he said.

Most major Japanese banks have affiliates in the United States that could face negative repercussions if their Tokyo headquarters forged ahead with financial deals, the official said.

An official of the Ministry of Internatioanl Trade and Industry (MITI) said trade has not increased significantly since economic sanctions were lifted in October of last year.

In 1991, Japan exported 1.6 billion dollars worth of goods and imported 1.8 billion dollars. Japan was South Africa's fifth-largest trading partner in 1990.

Hiroshi Kadota, senior assistant director of the Economic Cooperation Department at the Federation of Economic Organizations, or Keidanren, said the vote was a first step toward achieving political stability.

"We are now expecting success at the second stage, which is formation of a new interim government" that includes both blacks and whites, he said.

"South Africa has huge potential for development due to its natural resources, infrastructure, and good labor, but we want political stability," said Kadota, who will join a Keidanren trade mission to South Africa in May.

The mission will also take into consideration South Africa's relations with neighboring countries in promoting relations with South Africa, said the official from Japan's largest business group.

Toshio Makiura, secretary general of the Southern Africa Trade Association, said that traders are still concerned that the African National Congress [ANC] may try to nationalize industry if it comes to power.

"Too much economic interference won't be successful," he said, adding that he believes the future will be bright because the ANC is becoming "more realistic."

Tokyo Said 'Flexible' on Peacekeeping Bill

OW1803144492 Tokyo KYODO in English 1431 GMT 18 Mar 92

[Text] Tokyo, March 18 KYODO—Foreign Minister Michio Watanabe said Wednesday the Japanese Government is flexible about revising a legislation bill to allow Self-Defense Forces (SDF) personnel to take part in United Nations peacekeeping missions overseas.

Watanabe, who is also deputy prime minister, made the comment in reply to questions from Democratic Socialist Party (DSP) Diet member Kenji Katsuki in the House of Councillors Budget Committee.

During the questioning, Katsuki said the Diet should give prior approval to each U.N. mission SDF personnel are sent to. His party has demanded prior approval for such missions before it would support the peacekeeping bill.

The foreign minister said the government will not adamantly refuse small changes to the bill.

Watanabe said the government wants to gain support for the bill from as many parties as possible.

He repeated the government position that Japan's role in U.N. activities would be limited to peacekeeping activities..

The House of Representatives passed the bill early in December after the government agreed to send to the Diet reports on each SDF mission in U.N. peacekeeping programs two years after the SDF begins its participation.

Japan's largest opposition party, the Social Democratic Party (SDP), and the Japanese Communist Party (JCP) are trying to scrap the bill because they say deploying SDF troops to U.N. missions violates the war-renouncing Constitution.

The opposition-dominated upper house has the deciding vote on the bill because it must be passed by both houses.

In other questioning, Sohei Miyashita, state minister and director general of the Defense Agency, said a draft revision of the SDF Law would allow SDF aircraft to help rescue Japanese citizens overseas in times of emergency. He said two government-owned aircraft which could be used for rescues now are under repair.

Miyashita said that since the government planes are too large to be used at some airports, the agency is studying a plan to use the SDF's smaller C-130 transport planes in such cases.

Also Wednesday, Prime Minister Kiichi Miyazawa responded to questions about Japanese political reform by saying Shin Kanemaru, ruling party vice president, bases his calls for political realignment on a broad, long-term perspective.

Replying to questions from Rengo Sangiin's Kazunobu Takai, Miyazawa said Kanemaru does not envisage a drastic change in Japan's political landscape after the upper house elections in July.

Kanemaru, a ruling party power broker, has repeatedly called for a reorganization of Japanese politics by forming a new party to unite the LDP, the Social Democratic Party, and possibly the centrist opposition party Komeito.

Kanemaru's remarks reflect the radical international changes since the end of the cold war era and ensuing changes in labor and business circles in Japan, Miyazawa said.

Poll Indicates Majority Approval of PKO Bill

OW1903142992 Tokyo NHK General Television Network in Japanese 1000 GMT 19 Mar 92

[Text] The NHK conducted a nationwide public opinion poll on livelihood and politics for two days on 14 and 15 March. According to the results of the poll, 64 percent of those polled think that Japan should take part in UN Peacekeeping Operation [PKO] activities.

The NHK conducted the poll by interviewing individually 1,800 males and females aged over 20 and obtained answers from 1,162 people, or 62.4 percent of those surveyed.

When first asked whether Japan should take part in UN PKO activities, 64 percent answered that it should participate in the actitivities, and 16 percent said that it should not. The result is almost the same as that of the previous survey conducted.

Asked whether members of the Self-Defense Forces [SDF] should be allowed to take part in UN PKO activities, 41 percent said that SDF members on active duty should be allowed to participate in such operations while 33 percent said that they should not. And 10 percent of the polled said that it would be all right if the participants are on leave from the SDF. When this is compared with the outcome of the previous survey, the number of those who supported SDF members' participation in the UN PKO activities increased by 5 percentage points. The number of those who answered in the negative dropped by 1 point, while those who approved of the participation by SDF members on leave decreased by 3 points.

To the last question on whether they approve of the PKO bill, one of the focal issues in the current Diet session, 35 percent answered in the affirmative, 19 percent in the negative, and 34 percent said they have not made up their minds yet. Thirteen percent said they do not know how to answer it and gave no replies.

In terms of gender, 51 percent of the men approved the bill while only 22 percent of the women approved it. Meanwhile, about the same percentage of men and women opposed the bill, with men accounting for 19 percent and women accounting for 18 percent. Sixty percent of the women said they could not say either way or they did not know.

Okuda Admits Sagawa Firm Paid Former Secretary

OW1903084992 Tokyo KYODO in English 0531 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—Transport Minister Keiwa Okuda admitted Thursday that his former private secretary had been paid a salary by a member firm of the scandal-tainted Sagawa Kyubin Group while working at Okuda's office in Kanazawa, Ishikawa Prefecture.

Okuda said at a press conference that a report he received from his Kanazawa office confirmed as correct charges made in the Diet by Japanese Communist Party member Koichiro Ueda.

In a session of the House of Councillors Budget Committee on Tuesday, Ueda asked whether the former secretary, Toshio Nakanishi, had been paid by Hokuriku Sagawa Kyubin Co. for two years and five months when Nakanishi was working as Okuda's private secretary.

Okuda replied at the Diet session that he knew nothing of the matter.

He said Thursday that Nakanishi, now a member of the Kanazawa Municipal Assembly, had worked at his office in Kanazawa from February 1986 to April 1990.

In April 1988, Nakanishi became an employee of Hokuriku Sagawa Kyubin and started receiving a salary from the firm while still working as his secretary, the transport minister said.

Okuda said the annual 2 to 3 million yen paid by the firm to Nakanishi was a salary, and therefore it was not necessary to report the money as a political donation.

Prosecutors arrested three former executives of Tokyo Sagawa Kyubin Co., one of the Sagawa Kyubin Group of parcel delivery companies, and another businessman, on February 14 on suspicion of financially damaging the company in connection with a massive loan scandal.

The scandal allegedly involves a large number of politicians of the ruling and opposition parties.

Securities Firms Deny Shady 'Tobashi' Practices

OW1803150592 Tokyo KYODO in English 1353 GMT 18 Mar 92

[Text] Tokyo, March 18 KYODO—Nomura Securities Co., Nikko Securities Co., and Yamaichi Securities Co. denied Wednesday that they engaged in the shady stock dealing practice called "tobashi." [stock shuffling]

The denials followed the recent disclosure of tobashi activities by Daiwa Securities Co., in which the brokerage shifted securities from one account to another to conceal losses.

Executives from Nomura, Nikko, and Yamaichi, three of the "Big Four" securities houses, said the firms conducted in-house investigations in response to advice by the Finance Ministry and found their employees had not practiced tobashi.

Atsuo Miki, Yamaichi vice president, which has been rumored to have done 180 billion yen worth of tobashi deals, said the company has not detected the practice and denied the rumor.

Masao Yuki, vice president of Nikko, and Yasuhiro Mizuuchi, vice president of Nomura, also said there were no problems regarding tobashi dealings with their customers.

Tobashi practices were uncovered last month when Daiwa customers, including Tokyu Department Store Co., complained they had suffered losses because of tobashi deals.

Daiwa has settled the complaints by agreeing to pay about 80 billion yen to the customers.

On Wednesday, second-tier brokerage Yamatane Securities Co. said its employees had engaged in tobashi in the past and the company agreed to pay 19.4 billion yen in compensation to two clients.

Brokerage Houses Move To Restore Confidence

OW1903085892 Tokyo KYODO in English 0710 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—Leading brokerage houses held meetings of senior officials Thursday to discuss measures to restore confidence of investors in the wake of a series of scandals stemming from questionable trading.

The companies, including the "Big Four" brokerages, held the sessions as the securities industry continued to be rocked by new disclosures of disputes with client corporations over investment losses.

At Daiwa Securities Co., new President Motoo Esaka urged the attendants to step up their efforts to restore confidence in the market for the healthy growth of the company's business.

Esaka took office last week after his predecessor Masahiro Tozen stepped down to take responsibility for a loss caused by the traditional practice of "tobashi" (flying) [stock shuffling] under which an appraisal loss in a company is transferred to another firm to keep the loss from appearing in financial statements.

Tsugio Yukihira, president of Yamaichi Securities Co., urged attendants to intensify retail promotions to overcome a severe business environment.

The company is expected to post a pretax loss in the current fiscal year ending March 31, the first loss since 1964.

Survey on Political Reform, Party Support Noted

OW1903035492 Tokyo NHK General Television Network in Japanese 1000 GMT 18 Mar 92

[Text] According to a public opinion poll conducted by Japan Broadcasting Corporation [NHK] concerning livelihood and politics, those responding that what is most important in political reform lies in the amendment and formulation of laws centering on the prevention of political corruption accounts for 39 percent out of the total number of pollees.

The survey was conducted by NHK of 1,800 men and women over 20 years of age on 14-15 March, with replies coming from 1,160 people. First of all, when asked what is most important on the issue of political reform, a majority of 39 percent replied that the most important thing is to amend and formulate laws centering on the prevention of political corruption. This is followed by reform of the electoral system at 21 percent; enhancement in the control of political funds at 20 percent; and subsidies in political funds toward political parties at 6 percent.

Moreover, on the issue of lower house seat reallocation, 48 percent of the pollees replied that this issue should be dealt with in conjunction with the radical reform of the political system. This is followed by 22 percent who replied that this issue should promptly be dealt with under the current political system; and 10 percent saying that there is no need to deal with this issue.

On the question probing the major reason for scandals like the Kyowa corruption case involving Dietman Abe, former director-general of the Hokkaido and Okinawa Development Agency, who has been accused of receiving bribes, a majority of 50 percent of the pollees replied that this should be attributed to politicians' morals; 31 percent attributed it to the political setup; and 11 percent to the morals of enterprises.

Again, asked about any changes in the political party they support as a result of such scandals, 68 percent of the pollees responded that there is no change; 18 percent that they do not support any political party; seven percent that they have changed to supporting opposition parties; and two percent that they have changed to supporting the Liberal Democratic Party.

Furthermore, on the question of the political reform-related bills scrapped in the Diet session last autumn, first of all concerning the adoption of the combined system of single-seat constituencies and proportional representation—which is the lower house electoral system combining the single-seat constituencies with proportional representation, 29 percent agreed with its adoption, with 16 percent disagreeing, 32 percent having no definite view in either direction, and 23 percent not replying to the question—indicating that a majority of pollees found it difficult to decide whether to take an approving or disapproving attitude, subsequent to the previous survey conducted in December last year.

Chamber Chief Ishikawa Urges Income Tax Cut

OW1803150492 Tokyo KYODO in English 1355 GMT 18 Mar 92

[Text] Tokyo, March 18 KYODO—Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and Industry (NISSHO), called on the government Wednesday to cut income tax as a means of beefing up the sagging economy.

"A cut in income tax will encourage consumer spending and natural growth of income as well," Ishikawa said at a press meeting.

Such a reduction would help correct the gaps between direct and indirect taxes and encourage public confidence in politics, he said.

Ishikawa declined to state a desirable tax cut rate.

Cabinet Ordered To Work on Economy Measures

OW1903030192 Tokyo KYODO in English 0246 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—Prime Minister Kiichi Miyazawa instructed his cabinet Thursday to work out a set of pump-priming measures aimed at bolstering the slowing Japanese economy, officials said.

Miyazawa issued the directive at the day's cabinet session.

The prime minister urged the cabinet to help the Economic Planning Agency compile an effective package, the officials said.

Miyazawa's directive followed Wednesday's decision at a meeting of leaders of the government and the ruling Liberal Democratic Party to come up with such a package by the end of March.

The decision includes a plan to speed up public works projects by setting concrete targets for the percentage of public works contracts to be launched in the first half of fiscal 1992.

Finance Minister Tsutomu Hata, meanwhile, called for restraint on the part of politicians demanding a cut in the official discount rate, the officials said.

'Swift' Launch of Measures Urged

OW1903085392 Tokyo KYODO in English 0725 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—The chairman of the Japan Chamber of Commerce and Industry (Nissho) called on the government Thursday to move swiftly in launching effective pump-priming measures.

In an address before a General Nissho Assembly, Rokuro Ishikawa said the economy was in pretty bad shape and that the government should move quickly in controlling the situation.

He said it was important for the government to quickly mobilize comprehensive pump-priming measures covering fiscal, monetary, and taxation areas.

Measures recommended include swift implementation of public works projects and a cut in the official discount rate.

He also urged the cabinet of Prime Minister Kiichi Miyazawa to launch political, economic, and administerial reforms.

Ishikawa said the cabinet should review the current political and economic systems to strengthen its political leadership and to enhance its capacity to make decisions on policy.

He said such a review would also be necessary to reform the systems to ones that conform to those of the international community.

Hiroshi Saito, chairman of the Japan Iron and Steel Federation, called for a sharp cut in the official discount rate.

During a press conference, he said the current state of the economy warrants a reduction.

He said a cut of more than 0.5 percentage point is desirable given the prevailing economic conditions and the fact the central bank probably would not be able to make another cut later on.

Saito said he hoped the government would adopt comprehensive pump-priming measures to resuscitate the hemorrhaging stock market.

The stock market slump was of grave concern and the sluggish securities market makes it hard for companies to raise funds for investment in plant and equipment, Saito said.

Council Examines Deregulation of Banks, Insurers

OW1903133392 Tokyo KYODO in English 1258 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—The Insurance Council has resumed looking into easing regulations strictly restricting business areas of the banking, trust banking, and insurance industries, Finance Ministry officials said Thursday.

The council, an advisory panel to the finance minister, is expected to come up with a final report in June.

According to the officials, life and nonlife insurance firms want to be allowed to begin corporate bond underwriting, foreign exchange dealings, and trust business at their headquarters.

They also want to be able to do banking and securities business through their subsidiaries.

On the other hand, banks have asked to be allowed to sell insurance policies through their subsidiaries.

The council is expected to determine the scale of deregulation, taking into account requests from both banks and insurance companies.

In past discussions, the council has concluded that when life and nonlife insurance industries step into each other's fields, new business should be conducted on the subsidiary level, according to industry sources.

But during the current council sessions, regulations governing other areas such as accident insurance and sickness insurance are likely to be relaxed much further, the sources said.

Official Sees 'Some Bright Spots' in Economy

OW1903113592 Tokyo KYODO in English 1020 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—A top official of the Ministry of Finance (MOF) Thursday saw some bright spots on the horizon concerning the domestic economy, saying there is a spreading sense that no more bad news [is] coming.

The official, who refused to be identified, said, "I recognize a perception is emerging in some corners that all the bad factors have already come out, and no more will come."

Pointing to the current inventory adjustment, the official said, "I'm interested in capital investments by small companies."

He also said the passage of the fiscal 1992 budget bill through the House of Representatives last week sparked a change in attitudes.

The official said the currency market is also showing signs that the yen now is moving up.

He conceded, however, that it is now difficult to achieve the government's target of 3.7 percent economic growth for fiscal 1991, which ends on March 31.

Firm Develops Filmless X-Ray Imaging Equipment

OW1903050592 Tokyo KYODO in English 0429 GMT 19 Mar 92

[Text] Tokyo, March 19 KYODO—Toshiba Corp. said Thursday it has developed filmless x-ray imaging equipment for use in medical treatment.

The x-ray imaging equipment can also be used in other applications such as product inspection, security inspection of luggage, and analysis of materials and structures of objects, company officials said.

Conventional x-ray films require complicated development processes to produce an image on negative film, and the results are often less than adequate to make a detailed diagnosis of an ailment, they said.

Toshiba's equipment employs newly developed aluminum image plates laminated with a fluorescent and photosensitive material that enables a clear image to be printed on paper, similar to the mechanism used in conventional copying machines today, the officials said.

The machine also develops the x-ray image electrically rather than through conventional chemical processes to realize a paper copy within 10 seconds, they said.

North Korea

Joint Cooperation, Exchange Subcommittee Meets

SK1803132092 Pyongyang Korean Central Broadcasting Network in Korean 1211 GMT 18 Mar 92

[Text] The first meeting of the Cooperation and Exchange Subcommittee to the North-South high-level talks was held today in the South side's area of Panmunjom.

Present at the meeting from our side were Kim Chong-u, chairman of the Cooperation and Exchange Subcommittee to the North-South high-level talks, and six members. Chairman Yim Tong-won and six members represented the South. The meeting was open to the public as agreed upon by the two sides.

Chairman Kim Chong-u made a keynote speech at the meeting.

He stressed that the realization of multifaceted cooperation and exchange between the North and South, along with the question of achieving reconciliation and nonaggression, is an important, indispensable issue that must be solved without fail for a peaceful reunification of the country and national prosperity.

He said: The seventh round of North-South high-level talks agreed upon by the two sides is only a month and a half away. Because the discussion of the supplementary agreement and an agreement on the formation and operation of a joint committee should be completed during this period of time, the two sides should approach the discussion of the issues sincerely and with a correct stand and attitude.

He said: The two sides should take a firm stand of national independence in discussing the issues brought up for discussion, take a correct stand in sincerely promoting common national interest and unified national development in settling the issues introduced to the meeting, and give full play to the spirit of mutual understanding, concession, and compromise.

He then set forth his views on basic issues to be solved in the meeting of the subcommittee: The first is related to the supplementary agreement on the implementation and observance of cooperation and exchange between the North and South, Chapter 3 in the North-South Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange.

After stressing that our own view on this issue is that the two sides should be faithful to the North-South agreement that has already been put into effect and they should keep to the time specified, he produced a 10-paragraph, 29-item draft of the supplementary agreement on the implementation and observance of the North-South cooperation and exchange.

The second is about an agreement on forming and running the Joint North-South Cooperation and Exchange Committee.

He said: Our view is that the two sides should split the Joint Cooperation and Exchange Committee into two areas, economic and noneconomic, and form and run a joint North-South economic cooperation and exchange committee and a joint social and cultural cooperation and exchange committee.

He then produced a six-paragraph, 14-item draft of the agreement on the formation and operation of the Joint North-South Cooperation and Exchange Committee.

The South side's chairman, while stressing in his keynote speech the need to promote cooperation and exchange on the principle of reciprocity and to aspire for reunification, insisted on conducting exchange under the monopoly of the authorities and humanitarian exchange under the guise of respecting the legal system.

He then produced a draft agreement. The substance of it is to work out four sets of supplementary agreements and form and run four joint committees, which is quite annoying and complicated, arguing that the supplementary agreement should be specific.

The proposals put forward by the two sides showed that a string of differences exist between the two sides in the areas of cooperation and exchange between the North and South.

Our side's proposals are aimed at an (?orderly) discussion and promotion of cooperation and exchange between the North and South in various economic, social, and cultural areas by taking into account the realities of North-South relations, as well as the promotion of national unity, uniform development, and prosperity. The South side, on the contrary, insisted in its proposals on discussing and settling the issue of separated families, an issue that has already been brought up for discussion at the talks between the two sides' Red Cross Organizations, to be settled there at the Cooperation and Exchange Subcommittee. At the same time, they argue about a principle of settling pressing issues or about a principle of a concrete nature, thereby laying bare its intention to complicate the work of the subcommittee and delay it indefinitely through its vision of

subdividing the supplementary agreement and breaking up the joint committees and the executive organizations into several groups.

About the South's proposal, our chairman said that it is improper for the South side's authority to control even private exchanges. He said that private exchanges and contacts should not be controlled but that they must be activated. Also, problems in this area should not be discussed and put into practice one at a time under the pretext that this is urgent and important, but since all the problems are urgent and important they must be discussed comprehensively. He said that the problem of separated families should be given to the Red Cross organizations and must not go into minute details regarding the supplementary agreement so that problems that fall under the authority of the joint committee cannot be infringed upon.

He said that the supplementary agreement should be made into one agreement, which is in accordance with the spirit of the North-South agreement, but its content must be in conformity with the mission and function of the subcommittee. He also said that complications must not be created in giving birth to the joint committee and in its formation and operation and that both sides must not create barriers to settling this matter.

He urged the South side to deeply study our rational and practical proposal and come forward at the second meeting.

The South side defended itself by saying that reports on the nuclear issue in South Korean media are not identical to the authorities' opinion. They said it is regrettable that we say the South side is acting according to the will of the United States. They argue that this is their opinion of our side's keynote speech, all of which has nothing to do with the meeting.

In response, our side asked why the South side's chief executive, in a television appearance, told our side that other problems will be put on reserve if the nuclear problem is not solved, and why the South side's prime minister said that the problem of cooperation and exchange will not be put into practice if the nuclear problem and the problem of separated families are not solved. Our side also asked why the South side's authority suspended private cooperation and contact between the North and South.

Our side's chairman then proposed that by being faithful to the North-South agreement and the agreement on the formation and operation of the subcommittee, two joint committees should be formed and operated, which is in accordance with the supplementary agreement and our proposal, and proposed to the South side that members of both sides meet.

The South side agreed to our side's proposal that members of both sides hold contacts on 25 March. It was agreed that the second meeting will be held on 18 April.

ROK Intentions for Denuclearization Doubted

SK1903104392 Pyongyang KCNA in English 1014 GMT 19 Mar 92

["What Do the Developments in South Korea Following the Effectuation of the Inter-Korean Agreement Show?"—KCNA headline]

[Text] Pyongyang March 19 (KCNA)—The South Korean authorities must discard the anachronistic concept of dependence on outside forces and confrontation and effect a policy switchover toward a faithful implementation of the inter-Korean agreement and joint declaration on denuclearization.

If they have the intention to solve the reunification question of the country in accordance with the will and interests of the nation, they must show by deeds their will to carry out the North-South agreement by getting the U.S. troops and nuclear weapons withdrawn from South Korea at an early date, abolishing the "National Security Law" and releasing the pro-reunification patriots who have been arrested for visiting the North, in the spirit of the North-South agreement.

NODONG SINMUN today says this in a commentary regarding the developments in South Korea quite contrary to the North over the last one month since the North-South agreement and joint declaration on denuclearization took effect.

The news analyst says:

At contacts of delegates of both sides and subcommittee meetings the South Korean authorities said they would "shelve" the implementation of the agreement, kicking up a row over the North's "nuclear problem." This cannot be construed otherwise than an intention to avoid the implementation of the agreements at any cost and finally overturn them.

This treacherous deed of the South Korean rulers remind one of the treachery of the "Yusin" dictator in the early 1970s when the July 4 joint statement was published. He had scarcely signed the joint statement when he trampled upon the fundamental spirit of the joint statement and agreement and upturned them, saying the North's "communists cannot be trusted."

The South Korean authorities' words and deeds are arousing deep apprehensions, greatly disappointing all the fellow countrymen who welcomed the North-South agreement and joint declaration on denuclearization with great joy and excitement.

Such behavior of theirs which cast a dark shadow on the way of the implementation of the North-South agreement was doubtlessly manipulated by the U.S. ruling quarters who do not want peace on the Korean peninsula and its peaceful reunification. U.S. Defense Secretary Cheney, chairman of the Joint Chiefs of Staff Powell, Undersecretary of Defense Wolfowitz and other bosses of the Defense and State Departments, spreading a false

rumour about the "imminent nuclear development" by the North, openly described the South Korean authorities' adoption of the agreement with the North as a hasty step. And intelligence tricksters flew into Seoul to instruct the South Korean authorities to shelve the North-South agreement.

It was on this instruction of the United States that the South Korean ruler, even before the ink on the North-South agreements was dry, stated that the implementation of the North-South agreement could not but be "shelved" so long as the North does not undergo a "nuclear inspection."

The North-South agreement and joint declaration on denuclearization are authentic documents which were agreed upon, adopted and effectuated through relevant ratification procedures by both the North and the South and a common pledge of the nation which they promised to honour before the nation and the world. Either the North or the South has no right to violate the agreement and joint declaration.

ROK Stance Called 'Toadyist'

SK1903090692 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 18 Mar 92

[Commentary by station commentator Yun Pyong-son: "Manifestation of a Toadyist, Treacherous Nature"]

[Text] The South Korean authorities have again raised the issue of our nonexistent nuclear weapons development and are making a fuss about it. An example is what the South Korean foreign minister told a certain country's foreign minister, who was visiting South Korea, on 16 March during so-called talks between them. On that occasion, he fabricated the story that we had been building nuclear weapons and begged the visiting foreign minister to join in international efforts to prevent it. This is nonsensical gibberish from those who have a habit of negating facts and who try to gain by finding fault with other people.

As the entire world knows, opposing nuclearization is our republic's consistent position. We do not need nuclear weapons capable of inflicting massive calamities on mankind, and we have no intention or capability to build them. We have declared this many times.

As a result of our initiatives and active efforts, the nuclear inspection of the northern half is being smoothly pushed ahead according to pertinent procedures. The entire world agrees on this, and numerous countries and people extend support and sympathy for our selfless efforts.

The South Korean authorities, who have been so jittery about our nuclear inspection, surely know this. Nevertheless, they are imprudently making a fuss, while pretending not to know this stark reality and talking about nuclear weapons development or prevention. In anyone's eyes, this is an unjustifiable act and goes against common sense.

Moreover, we cannot help but make an issue of a wrongful way of thinking to resolve North-South issues: reliance on outside forces, instead of resolving them in dialogue and negotiations. At a time when prospects have been opening for correctly resolving the nuclear issue on the Korean peninsula, we have proposed to the South side that the North and South jointly take countermeasures against Japan's attempt to arm itself with nuclear weapons, which has been brought to the fore again. However, the South Korean authorities have rejected our just proposal. Moreover, they are finding fault with us, who are not building nuclear weapons, and subserviently begging foreign countries to join in their efforts to prevent our nuclear development. This clearly shows that they still have not abandoned their anachronistic toadyism.

The South Korean authorities like to curry favor with outside forces and lick their hands, rather than pursue unity and collaboration with their fellow countrymen. This attitude undeniably deserves denunciation at home and abroad.

The South Korean authorities have kept silent about the just demand of the people at home and abroad that nuclear bases in South Korea be opened up for fair, simultaneous North-South nuclear inspection. Therefore, they are not in a position to find fault with someone else's nuclear issue.

International efforts that the South Korean authorities are babbling about mean unjust pressure on us by the imperialists and their hostile policy toward us. Based on this, the South Korean authorities are foolishly trying to drag even foreign countries into their attempt to carry out their criminal plan. They want to damage the republic's image and its international prestige by misleading people into believing that we are building nuclear weapons and to isolate us. This is unforgivable.

They have another purpose, as well: They are trying to provoke a war of aggression against us under the pretext of nuclear development. The evidence of this is the fact that South Korean and U.S. ruling circles are babbling about so-called strong measures or sanctions. The South Korean authorities have nothing to gain from their commotion about our nonexistent nuclear weapons development. Rather, this will aggravate North-South relations and intensify North-South confrontation. If they are truly interested in resolving the nuclear issue, the South Korean authorities had better cool their restless heads and make the location of U.S. nuclear bases and nuclear depots in South Korea public.

Workers Accelerate Construction of New Mines

SK1903010692 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 16 Mar 92

[Text] North Hamgyong Province is directing great strength to construct pits in hopeful mines.

Upholding the great leader's teaching on increasing coal production, builders of the northern district mine construction complex completed basic tunneling for approximately 30,000 meters and construction of 18,000 meter-long permanent pits, thus carrying out enormous projects. They are rapidly pushing for construction of nine pits in Saebyol, Yongchon, Hwasong, and Hadae Districts.

Thanks to the devoted labor struggle of mine builders in these areas, completion of construction of the first pit in Toksong mine is close at hand, and construction of Kidong pit in Yangjong mine, Hwaryong pit in Kukdong mine and Kukdong pit has advanced more than 50 percent.

The workers of the No. 3 mine construction office under the complex, who are charged with construction of Nos. 1 and 2 pits in Chokdong mine, provided themselves with mining instruments with their own strength by displaying the revolutionary spirit of self-reliance and arduous struggle, and properly managed tools and equipment including compressors. Thus, this month they overfulfilled the basic tunneling plan by an average of 105 and 110 percent each day.

The working class and three revolutions team members of the No. 2 mine construction office, keenly realizing the importance of coal production in accelerating the socialist economic construction, actively waged the high-speed tunneling movement by displaying creative zeal and activeness and by broadly introducing the small-caliber drilling method in tunneling. Thus, they overfulfilled the assigned workload by more than 1.3 times each day.

In particular, they completely resolved the problem of [word indistinct], which was raised as the most difficult task in tunneling, by uniting collective wisdom and strength. Thus, they constructed pits far ahead of schedule.

Cherishing the firm faith that what the party decides, we will do, the builders of the No. 5 mine construction office properly carried out the technical management of excavation machines by increasing the capacity of the (?cranes). Thus, they tunneled for more than 400 meters in a short time to complete the construction of Kidong pit in Yangjong mine ahead of schedule.

Anju Coal Mining Complex Making Innovations

SK1803152792 Pyongyang KCNA in English 1019 GMT 18 Mar 92

[Text] Pyongyang March 18 (KCNA)—The Anju District coal mining complex, a leading coal producer of the nation, is effecting innovations in production and construction to overfulfill the yearly plan which is 16 percent higher than the results of last year.

With the approach of the significant April holiday, the coal miners have lifted the daily results 50 percent in coal output and tunneling above last month.

The complex is now turning out in four days as much coal as produced in the whole of 1944, the year before the liberation of the country.

The complex which holds a big share in the coal production of the country has a bright prospect.

It has tapped coal deposits of 2,260 million tons.

It has the well-equipped Ripsok, Sinri, Chilli, Taehyang, Yonpung youth, Soho and Yongrim coal mines. Work is done by large-size and modernized excavating equipment such as multi-purpose excavating and cutting machines.

Coal is transported by long-distance belt conveyers.

The complex is keeping tunneling definitely ahead of production.

Great efforts are directed to creating the production capacity in the pit and expanding cutting faces. In recent years, two large cutting areas with a yearly production capacity of 650,000 tons have been developed and two cutting faces with 300,000-ton capacity created.

The complex gives priority to the building of new promising coal mines and pits with large deposits of coal. The Hwapung coal mine, Chilli sloping pit No. 2 and the Wonbuk pit have been developed and started up. The Namdong and Pungyon coal mines and the Chongnam shaft are now being built.

South Korea

Nuclear Control Delegates Disagree Over Inspection

SK1903101092 Seoul YONHAP in English 0948 GMT 19 Mar 92

[Text] Seoul, March 19 (OANA-YONHAP)—South and North Korea failed Thursday to agree on procedures to inter-Korean nuclear inspection but decided to meet again April 1.

The two sides held their first Joint Nuclear Control Commission (JNCC) meeting at the truce village of Panmunjom. The JNCC is to oversee inter-Korean nuclear inspection but is yet to settle on the guidelines.

South Korea presented proposals on inspection site selection, procedures and post-inspection measures. It suggested two types of inspection, one held reguarly every quarter and special inspection where one side can demand to see a certain site, officials said.

The South suggested the inspection team comprise 15 delegates from each side without any members from a third country, they said.

South Korean delegates insisted that the details be set within two months so that the first inspection can take place by June 10 at the latest. [Seoul YONHAP in English at 0649 GMT reports the following: "South Korea suggested to North Korea Wednesday that they conduct the proposed mutual inspection of nuclear facilities by June 20 at the latest. In the first meeting of the Joint Nuclear Control Commission (JNCC), the South offered draft inspection regulations and said that the first inspection should be made around June 10 but not later than June 20."]

Whereas Seoul's draft agreement dealt mainly with inspection guidelines, North Korean draft focused on getting international guarantee for a nuclear-free Korean peninsula and opening all U.S. military bases in South Korea to inspection, and measures to ensure that the two sides will not manufacture or possess nuclear weapons and not own nuclear reprocessing facilities.

The North Korean draft included inspection procedures in a subsidiary instead of the main agreement, according to the officials.

North Korea said it will discuss inspection procedures after the two sides adopt the main agreement first, they said.

Seoul and Pyongyang have an earlier agreement that says the two sides "will make joint efforts" to decide inspection regulations by around May 19 and hold the first inspection within 20 days thereafter.

Minister Favors Resumption of Russian Aid

SK1803152192 Seoul YONHAP in English 1510 GMT 18 Mar 92

[Text] Seoul, March (YONHAP)—South Korean Economic Planning Minister Choe Kak-kyu expressed hopes Wednesday that Seoul's 3 billion U.S. dollar economic aid package will be resumed soon after detailed negotiations with Moscow.

Visiting Russian Foreign Minister Andrey Kozyrev expressed expectations during his meeting South Korean Economic Planning Minister Choe Kak-kyu that the two countries discuss formation of joint economic committees on economic cooperation.

Choe told Kozyrev that consumer-tied loans to the Comonwealth of Independent States will resume once the settlements are reached on South Korean aid to independent states.

Approximately 1.2 billion dollars remain in South Korean aid to Russia in consumer-tied and plant exports.

No Tae-u Meets With DLP Cochairmen

SK1903034392 Seoul YONHAP in English 0250 GMT 19 Mar 92

[Text] Seoul, March 19 (YONHAP)—President No Tae-u told his party Thursday to do its utmost to secure enough seats in the general elections to ensure political stability.

"The Democratic Liberal Party [DLP] should appeal for support in firm unity during the rest of the election period, mindful that the elections will provide momentum that decisively determines whether we can join the column of advanced countries," he said.

No issued the instructions during a working breakfast at Chongwadae with the three co-chairmen of his party—Kim Yong-sam, Kim Chong-pil and Pak Tae-chun.

If the DLP failed to win a stable majority, there was the danger that the government's economic and democratization achievements would evaporate "as mere bubbles," No said.

Executive Chairman Kim Yong-sam told No that about 45 percent of the 237 DLP candidates were leading.

"This relative sluggishness is because many ex-DLP members who failed to get party nomination are running as independents or on opposition tickets, encroaching on the DLP support base," Kim told him.

No said that in the final stage of the race the opposition might resort to negative campaigning in a desperate bid to enlist public support.

"The government will, nevertheless, endeavor to realize fair elections no matter whatever difficulties may lie ahead," the president said.

DLP Accused of Hiring Student 'Cheering Squad'

SK1903003392 Seoul THE KOREA HERALD in English 19 Mar 92 p 3

[Text] The ruling Democratic Liberal Party secretly organized and operated a large-scale cheering squad composed of about 3,000 college students for its election campaign for the March 24 parliamentary elections, said a member of the student organization.

Dubbed the "Hanmaek Youth Association" the organization sent hundreds of its members to campaign rallies of ruling party candidates to applaud and cheer when party candidates arrived at rally sites and made speeches, the student said yesterday, requesting anonymity.

Since its inauguration in December 1991, the student said, the organization sent members to about 30 rallies hosted by the ruling party and joint speech sessions organized by the Central Election Management Committee.

Participating students received between 20,000 won to 200,000 won a day from ruling party officials, he claimed. The amount of money they received differed on their ranks, he said.

The ruling party had planned an activation ceremony for the organization Feb. 29 at the party's Central Political Training Center at Karak-tong, southeastern Seoul, the student said.

But the ceremony was canceled for fear the existence of the organization might be revealed, he said.

The ruling party hosted a buffet dinner for staff members of the student organization Feb. 17 at a restaurant in Nonhyun-tong, southern Seoul, he said.

According to the student, a man identified at the diner himself as a director-general of the ruling party secretariat said that the party plans to send staff members to Mt. Paektu in North Korea on a sightseeing tour after the election ended.

The student also said that ruling party leaders, including Executive Chairman Kim Yong-sam and Secretary-General Kim Yun-hwan, were to attend the organization's activation ceremony which was later canceled.

There was a talk at the time, he said, that staff members of the organization would be invited to Chongwadae around Feb. 23 and 24.

Meanwhile, the prosecution said it has no plans to investigate the allegation, saying that there is no concrete evidence that the party violated the election law.

A hasty investigation can cause an unfavorable effect on a certain party but can also hurt normal election campaign mood, said a spokesperson for the prosecution.

However, the prosecution will immediately start an investigation once it secures solid evidence that either the party gave the students excessive amounts of money or it mobilized students who were not registered as its members or campaigners, the spokesperson said.

Meanwhile, two college students who were arrested Tuesday on charges of violating the election law after working for the opposition Unification National Party's campaign were known to have been former members of the Hanmaek Youth Association.

The two students, Yi Un-pyo, 24, a senior of Joongang University and Kim Chong-kil, 24, a junior at the same university, deserted the association after the ruling party failed to pay them in time and worked for the opposition party founded by business tycoon Chong Chu-yong.

DLP Denies Allegation

SK1903004492 Seoul THE KOREA HERALD in English 19 Mar 92 p 3

[Text] The ruling Democratic Liberal Party [DLP] yesterday denied reports that it had organized and funded a collegian group to help its campaign for the parliamentary and presidential elections.

Kang Yong-sik, spokesman for the DLP's election management headquarters, said the "Hanmaek Youth Association" is simply the party's "fringe" group comprising 2,000 college students who render voluntary service for the party.

The ruling party has provided the organization with 1 million won per month.

UNP Support in Ulsan Region Examined

SK1903005592 Seoul THE KOREA TIMES in English 19 Mar 92 p 2

[By staff reporter Kim Chang-yong]

[Text] Ulsan, Kyongsangnam-to—The newly-founded Unification National Party [UNP] has established a foothold in this industrial city and turned the election battle into a duel with the giant ruling Democratic Liberal Party [DLP].

By making the most of the manpower and organization of the Hyundai subsidiaries owned by UNP chairman Chong Chu-yong, two of its candidates have emerged as front-runners. They are in cutthroat competition with DLP members, analysts here said yesterday.

Rep. Chong Mong-chun, the sixth son of honorary chairman Chong and president of the Hyundai Heavy Industries Co., is leading in a race with the DLP contender, So Chong-ui, who had been dismissed by the mammoth Hyundai firm for his attempt to form a union.

Cha Su-myong, former administrator of the Korea Patents Administration, is enjoying a competitive edge over Rep. Sim Wan-ku, with the strong support of Hyundai employees, analysts said.

Cha Hwa-chun is close behind Rep. Kim Tae-ho of the DLP in another Ulsan district. So is Rep. Pak Chin-ku, challenged by Kim Chae-kyom of the DLP in the bordering Ulsan County.

The main opposition Democratic Party has no prominent bidders for the Tuesday general elections in the Ulsan and the southeastern Yongnam area at large, except for a few in Pusan, which has widely been regarded as the stronghold of DLP leader Kim Yong-sam. The DP is based in southwestern Honam and the capital area.

Chong Mong-chun said, "We are aiming at sweeping all the Ulsan districts. Our nominees are gaining momentum with time."

Despite repeated objections raised by the ruling camp, the UNP is mobilizing Hyundai staff and funds for campaigning for its candidates. There are 15 Hyundai companies in Ulsan, popularly billed as Hyundai

country, and its employees and their families account for about half of the 800,000 population.

The younger Chong intends to get the highest support rate in the coming poll, his campaigners said. He starts 20 hours of electioneering each day jogging with his neighbors and shaking hands with Hyundai employees, tours markets and ends the day with a "solidarity party," usually with heavy drinking.

"Employees who went on strike several months ago are now expressing their support for the top Hyundai manager. The alleged harassment of the UNP by government agencies has brought them a sense of crisis and reinforced their solidarity" said Chang Sung-un, political editor of a local paper.

"Even Kim Yong-sam standing here would be defeated by Chong Mong-chun. If there is one that could check his re-election, it would only be his father," Chang added.

But the "Y-S (Kim Yong-sam) boom," created in his longtime political hometown of Pusan at Kim's own initiative, is spreading to parts of Ulsan and its vicinity.

In Ulsan County, Kim Chae-kyom's slogan of "C-K for the Assembly Seat and Y-S for the Presidency" is appealing to the rural community, while former home minister Kim Tae-ho's pledge to upgrade Ulsan to the level of special city is stemming the "UNP wind" in central Ulsan.

Analysts generally view that Kim Chae-kyom, former vice chairman of the Ssangyong business group will not match Pak Chin-ku, who was elected in the 1988 vote by himself and is now being pushed by Hyundai and UNP organization.

Pak, deprived of his DLP membership for his involvement in a political junket, is contrarily portraying himself as a "victim" of the government's clean-up drive and soliciting the sympathy of Ulsan County residents.

The Pak-Kim competition is a sort of a free-for-all between Hyundai and Ssangyong.

UNP chairman Chong Chu-yong yesterday boldly predicted that his two-month-old party would win 120-130 seats in the 237 districts in a gesture of pride but the analysts agreed that the UNP is making a smart showing at least in Ulsan, his business center.

Survey Suggests Many Voters Remain Undecided

SK1903012892 Seoul CHUNGANG ILBO in Korean 18 Mar 92 p 1

[Text] About half of the eligible voters are still undecided as of 17 March, one week before the 14th general elections.

The CHUNGANG ILBO Data Bank public opinion survey team carried out a telephone survey of 1,000 eligible voters throughout the nation on 17 March. As a result, 51.2 percent of the respondents said that they are undecided and 47.2 percent said that they have decided on a candidate. Therefore, it seems clear that the decision by undecided voters will determine success or failure in the elections.

Eighty-eight percent (84.9 percent when surveyed on 25 February) of eligible voters said that they will participate in the elections. When taking this into consideration, this shows that the eligible voters are seriously contemplating candidate selection.

The biggest problem cited by 15.5 percent of the survey respondents is the 'intensified regional sentiment' instigated by the governing bodies of each party which leads to its seriousness. Regarding other problems, 14.9 percent cited a shortage of capable people; 12.3 percent cited the problem of giving money and goods to eligible voters; and 10.2 percent cited the problem of government interference.

Regarding the factors in deciding on a candidate, 49.4 percent of the respondents said that they consider the candidate's temperament and personal career. Also, 17.6 percent considered what party the candidate belongs to, and 10.1 percent considered the promises the candidate made. This shows that eligible voters will place primary consideration on the person when voting.

Concerning a question of much interest on "how much influence will the general elections have on the competition for supreme power," 11.3 percent of the respondents said that the general elections will have a decisive influence; 25.8 percent said that it will not have a decisive influence but it will have considerable influence; 24.5 percent said that it will have somewhat an influence; and 9.8 percent said that it will not have any influence. This hints that the general elections results will have a great influence on the competition between presidential candidates of each party.

When asked to compare corruption in these elections with the 13th general elections, 37.2 percent of the respondents said that the situation has improved. This shows that people are somewhat positive regarding the elections. Only 7.9 percent said that corruption is worse than before. When asked the same question on 25 February, 13.2 percent had said that it is worse than before. This shows election campaigns are effective and that eligible voters are responding to the election campaigns of the candidates.

When questioned on whether candidates will keep their election promises, 31.9 percent of the respondents said that they will keep their promises to some degree; 5.8 percent said that almost all of their promises will be kept; 31.5 percent said that almost none of their promises will be kept; and 8.1 percent said that none of the promises will be kept.

Various Post-Election 'Possibilities' Examined

SK1803150892 Seoul CHOSON ILBO in Korean 18 Mar 92 p 3

[Article by reporter Yi Yon-hong: "Focus on General Elections for 14th National Assembly"]

[Text] The general elections for 14th National Assembly have significance in indicating various "possibilities" for the presidency. In addition, the elections themselves are significant.

The outcome of the general elections will reveal if Kim Yong-sam, executive chairman of the Democratic Liberal Party [DLP], will be nominated as the party's presidential candidate; if the two Kims [Kim Yong-sam and Kim Tae-chung] will compete with each other for the presidency; and how the anti-Two Kims forces will react.

Thus, the upcoming general elections are inevitably linked to the presidency because the elections will be held just before the bigger "game" called the presidential election.

The ruling DLP has complicated the significance of the general elections. In other words, the DLP postponed the solution to disputes over the presidency caused by various complex factors within the party until after the general elections. The DLP drew a veil over such disputes, making people anticipate certain negotiations. Forces aimed at an "overturn" also exist in the ruling sphere.

The opposition sphere is also in the same situation. Kim Tae-chung, co-chairman of the Democratic Party [DP] who will run for the presidency for the third time, is always being threaten by a justifiable "monster" called "the change of the generations."

Guarantee of Kim Tae-chung's Rechallenge

The outcome of the general elections will guarantee Kim Tae-chung's third challenge for the presidency.

The result of the upcoming general elections will also show the direction for so-called third forces, including Chong Chu-yong, representative of the National Unification Party [NUP], to "advance." Party chairman Chong, who is attempting to demonstrate popular political showmanship, calls for the change of the generations despite his 77 years of age.

Party chairman Chong openly revealed his intention to run for the presidency if the NUP succeeds in making its own qualified parliamentary negotiating group. If the general elections are satisfactory to both the DLP and DP, a clue to the question of the presidency will become clear.

In other words, an outcome of the general elections satisfactory to both parties would mean victory of the two Kims, who are the top leaders of their parties. Thus, such an outcome will ensure competition between the two Kims. The condition satisfying the DLP and DP in terms of outcome of the elections is for the DLP to hold 131 to 143 assembly seats (55 to 60 percent) and for the DP to secure 80 to 90 seats. For the DLP, this outcome will strengthen Kim Yong-sam's position in competing with Kim Tae-chung, although there are some opponents within the DLP.

Needless to say, such an election outcome will give decisive merits to the DP's Kim Tae-chung. However, if the outcome of the elections differs from the goals of two parties, a great "confusion" will result amid various changeabilities.

If the situation of small ruling and large opposition parties emerges as the DLP worries that it will, the presidency will go back to the starting point because the high-ranking party officials, including Executive Chairman Kim Yong-sam, will be held responsible. Moreover, President No Tae-u's influence will be drastically reduced in the later part of his term. This will lead to an unpredictable situation, and an overall readjustment of political circles will be inevitable.

On the other hand, even if the DLP wins an overwhelming victory, the situation will still be complex.

Some Minjong [Democratic-Justice] faction members and Konghwa [Republican] faction members within the DLP asserted that whoever competes with Kim Tae-chung under the structure of confrontation between Honam [Cholla Province area] and non-Honam forces, he will certainly win. Therefore, the DLP's overwhelming victory will intensify the willingness of both Minjong and Konghwa factions to nominate their own presidential candidates respectively. As a result, competition for the presidential candidates within the DLP will be very complicated.

If the outcome of the elections is satisfactory for the NUP while the DP suffers a miserable defeat under the DLP's overwhelming victory, the situation will also be complicated. In this event, the call for reorganizing the opposition in any form will be raised and voices demanding Kim Tae-chung taking the responsibility for the election result may resound. Naturally, Kim Yong-sam's significance will be reduced. However, the possibility of success by the NUP appears to be very slim.

Possibility of Favoring The Cabinet System

If the DLP wins such an overwhelming victory that it secures seats ensuring the constitutional revision (about 157 constituency assembly seats), the call for revision of the constitution favoring the cabinet system may be again put forward. Even if some Democratic faction members within the DLP secede from the faction, there is a possibility that the Minjong-Konghwa factions will push for a revision of the constitution, provided the majority is secured. The president's pledge in the later part of his term for "disapproval of cabinet system" will be interpreted in various ways.

The Minjong faction's view is that in this case, party Executive Chairman Kim Yong-sam would choose revision of the constitution rather than seceding from the party. However, this assumption also appears to remain an assumption because the DLP's securing of the assembly seats to make the constitutional revision possible is not likely.

On the other hand, even if the DLP wins by securing 51 percent of the assembly seats, the situation would be the same as an overwhelming victory. Factions within the DLP may apply a strong brake on Kim Yong-sam's running for presidency. If not, these factions may at least demand enormous compensation for his candidacy. Thus, the initiative of political circles will be turned over to opposition parties. Some Minjong faction members may collaborate with opposition figures and examine their willingness for constitutional revision. There is a possibility that they will not even listen to any directive of the president toward the end of his term.

In view of all this, it is too early to argue about the direction of the presidency because everything will depend on the result of the general elections. This is the very reason that co-chairmen Pak Tae-chung and Kim Chong-pil and Assemblyman Pak Chol-on of the DLP unanimously said that "the presidency should be discussed after the general elections." The rumor that Kim Pok-tong, who is running for an assembly seat for the first time, may also try to run for the presidency, appeares to have been prompted by such unpredictability in the election results. All of them appear to be willing to take advantage of the opportunity. A rumor is going around that co-chairman Pak has already formed a working-level team to prepare as a presidential candidate, despite the denial of his close associates. Co-chairman Kim Chong-pil also suggested the will to challenge the presidency. But all this will depend on the outcome of the elections. Thus, how the result of the election will affect the presidency already interests people.

New Laws To Help Firms Switch to Hi-Tech Sector

SK1803010792 Seoul YONHAP in English 0844 GMT 17 Mar 92

[Text] Seoul, March 17 (YONHAP)—The government will step up its efforts to give financial and taxational favors to medium- and small-sized companies that move from labor-intensive areas into the high value-added, technology-oriented sector, Prime Minister Chong Won-sik said Tuesday.

Chong, speaking at the inauguration of the chairman of the Korea Federation of Small Business, Pak Sang-kyu, said that more financial support than ever before would be given those promising small businesses suffering cash shortages.

"The government has made plans for special laws to foster our medium- and small-sized businesses," the prime minister said.

Red tape in various business-related administrative procedures would be reduced step by step and regulations of company activities be eased as well, he said.

After his inauguration, Pak called on President No Tae-u, who told him the government would draw up measures for solving the financial difficulties and manpower shortages in a meeting presided over by the prime minister on Thursday.

No listened to the suggestions of Pak and other businessmen concerning these and other problems, such as fundraising, technology and production improvement, and then he turned to Trade and Industry Minister Han Pong-su and told him to act on their suggestions as quickly as possible.

In the meantime, the Industrial Bank of Korea chose Tuesday 30 areas for financial support for technology development as part of a program for sharpening the competitive edge of medium- and small- sized companies.

The bank will give 40 billion won to 20 development-capable firms, 2 billion won each. They are supposed to select one area each out of the 30 proposed by the bank.

Students Accused of Contact With DPRK Colleges

SK1903003192 Seoul THE KOREA TIMES in English 19 Mar 92 p 3

[Text] Kwangju—Prosecutors yesterday started a probe of student leaders at five colleges and universities here and in Chollanam-to who are suspected of seeking sisterhood relationships with four higher-learning institutions in North Korea.

Leaders of student councils at the five southern schools are learned to have been in unauthorized contact with their northern counterparts via facsimile to seek sisterhood relationships.

The five schools are Chonnam National University, Choson University, Choson Technical College, Mokpo College and Sunchon College. Their counterparts in North Korea are Kim Chaek Ploytechnic Institute, Kim Chol-chu Normal College, Kumgang College and Pyongyang Medical College.

Under the stiff National Security Law, it is forbidden to communicate with North Korea without government approval. Those sending illegal correspondence to North Korea face up to seven years in jail.

Prosecutors also suspect the students making illegitimate contacts with their northern counterparts violated a security law against sympathizing with North Korea in its demand for the withdrawal of U.S. troops from the Korean Peninsula.

According to the prosecutors' initial probe, representatives of 20 southern student councils requested an anti-Seoul body based in Berlin to relay their messages on sisterhood relationships with northern schools to Pyongyang via facsimile on March 10.

The Berlin-based Choson Student Committee is a liaison office between student bodies in South and North Korea, the prosecutors charged. Currently, it is impossible to send direct facsimile messages through civilian channels between Seoul and Pyongyang.

Burma

Plight of Rohingyas Drawing World Attention

BK1903022192 Bangkok THE NATION in English 19 Mar 92 p A8

[Article by Yindi Loetcharoenchok: "Rohingya Issue Wakes World Up Over Burma"]

[Text] The continuing exodus of Burmese Muslims fleeing persecution into Bangladesh is just another chapter of the overall spectre of suffering of Burmese refugees in the region. For 30 years, the repressive and uncompromising policy of successive military rulers in Rangoon has forced wave after wave of Burmese, both ethnic minorities and the Burman majority, into exile in neighbouring countries and elsewhere.

Unfortunately, the world only came to learn and realize the seriousness of the problem when the influx of the Burmese Muslims, usually known as Rohingya, started to exhaust Bangladesh's limited material and financial resources. By World Bank standards, Bangladesh is one of the world's poorest nations.

For the first time, the UN High Commissioner for Refugees (UNHCR) has been officially requested by Dhaka to perform its mandatory duties to cope with the latest Burmese exodus. UN fact-finding trips to the Bangladesh-Burmese border reveal the appalling plight of the refugees and predict a deteriorating situation if the Rohingya exodus across the border continues unabated. UNHCR has just launched a US$20-million emergency aid programme.

Shortages of food and medicine, along with poor hygiene and health conditions, can adversely affect the refugee population in Bangladesh, most of whom have taken refuge in makeshift huts outside the 11 government-run camps on the border.

What is happening to Bangladesh is in fact the tip of the iceberg. Burma's other neighbours have long experienced similar predicaments, but none has officially addressed the issue seriously.

Up to 200,000 Burmese are staying legally and illegally in Thailand. About 6,000 ethnic Kachin and Burmese Chinese are taking refuge in China and an estimated 50,000 more are internally displaced along the Sino-Burmese border and elsewhere in Kachin State due to the Burmese Army's seasonal operations against anti-Rangoon Kachin forces.

India has been sheltering thousands of Burmese dissidents after the 1988 pro-democracy riots, and since January this year accommodated about 1,500 Naga tribespeople from Burma who said they were fleeing because of persecution by Rangoon. Indian authorities in Nagaland say they would try to contain the refugee situation, and the Naga tribespeople would be returned to Burma as soon as possible.

So far only Laos, an immediate nation bordering Burma, is yet to have made known any official records of refugees fleeing the Rangoon junta. But this does not mean there are no illegal Burmese in Laos. Ethno-linguistic similarities and the insurgency along the Burma-Laos border make crossborder travel over the rugged mountain terrain a common and easy practice.

Further south, Malaysia and Singapore are now temporary homes to a good number of illegal Burmese who leave the country by sea. No official figures have been given by these countries, but exiled Burmese in Thailand say most of their countrymen who are now illegally in Malaysia and Singapore work in rubber plantations, hire themselves out as labourers, and also do odd jobs.

Surprisingly, Rangoon has always denied any problem of Burmese refugees, and instead accused them of being "illegal immigrants" or "insurgents." The military junta has refused to receive them back, and said only those who could prove that they are Burmese nationals would be welcome.

Ironically, the refugees themselves do not want to return home as long as general political situation does not improve.

In Thailand, reports of Burmese returnees facing charges and fines are common. Many dissident students—[who] either return on their own, or are deported or repatriated by the Thai Government—later face questionings and 24-hour surveillance. Some are later arrested and imprisoned allegedly for their past involvement in the pro-democracy movements.

The Thai Government has dealt with the Burmese refugees differently from Bangladesh, China and India. Despite the decades-long heavy human burden borne by Bangkok and the "tacit asylum" granted by Thai authorities, Thailand has never officially addressed the issue or been serious enough to find a durable solution.

The complexity of the Burmese refugees here is distinct. While Bangladesh, India and China are housing mono-ethnic or a few ethnic races, Thailand has housed a diversity of ethnic minorities of non- and politically-active Burmese citizens. Most ethnic refugees are confined to border camps or border towns, some have merged over the years into Thai society, and others are crossborder traders or seasonal workers and labourers in farming and fishing industries offering their services at below market-level wages.

Unlike Cambodian Laotian and Vietnamese on Thai soil, the Burmese have never been recognized by Thailand as refugees. The fate of the unfortunate Burmese is not a Thai priority, and so far only very few selected relief and Christian-aid agencies are permitted to provide low-profile aid to them.

Senior Thai Government officials in recent interviews said Thailand's immediate urgency is to evacuate 360,000 Cambodian and other Indochinese refugees

from Thai soil. Until then the Government will not give a serious thought or consideration to the human influx from its western neighbour.

The decision to accommodate Burmese students in a "safe area" comes after years of international criticism and attacks against the government's maltreatment of the group. The students, however, have strongly opposed the plan saying they are singly targeted and there is lack of international guarantee of safety.

In years to come, the Thai Government will continue to treat the Burmese refugees, except for the students, as it had done previously and will limit the access of aid agencies to the refugee border camps housing mainly Burmese ethnic minorities.

While Dhaka has internationalized the plight of the minority Burmese Muslims to get global aid and to pressurize Rangoon to accept back their people, Thailand, however, will not be expected to do the same. Exhausted by the Indochinese refugee problem and the experiences in dealing with donors and numerous aid agencies, Thailand will continue to exercise its sovereign rights and mete out its own judicial treatment to the Burmese whom it considers as "illegals."

Thai officials contended that as long as Thailand can contain the problems of the Burmese exiled group in the ambits of its domestic policy, it will not seek international involvement. The Rohingya case is different, they say, as Bangladesh, one of the world's poorest economies and already overwhelmed with its own internal human problems, cannot cope with the magnitude of human exodus from Burma under any circumstance.

Karen Outposts, Strongholds Reportedly Captured

BK1803145592 Rangoon Radio Burma in Burmese 1330 GMT 18 Mar 92

[Text] The KNU [Karen National Union] terrorist insurgents have been disrupting the peace and tranquility of the region by various means and have been intimidating the people who want to live peacefully under the rule of law. The Defense Services, with the intent to totally crush the terrorist insurgents, have valiantly and gradually attacked the KNU strongholds in the Southeast Military Command region. It is meeting success at every battle.

Thus, under the guidance of the tactical command and because of its valiant efforts, the Defense Services columns under the No. 66 Light Infantry Division, have successfully captured Point 4044 known as Sleeping Dog Mountain alias (Htway Hpar Waycho) at 1115 on 14 March.

The Defense Services columns have simultaneously continued to spread their attacks on KNU strongholds and defense outposts in that region. The Pinmagon outpost was successfully captured at 0230 on 17 March, and the eight defense outposts of Point 3610 also were captured at 0820 and 0945 the same day. Point 3610 was successfully captured at 1400 the very same day.

In the assaults, 33 dead KNU terrorist insurgents were gathered up, as well as 27 rocket-propelled grenades, 37 assorted mines, and 1,810 rounds of small arms ammunition. One hundred seventy bunkers were captured.

One Defense Services man laid down his life for the country, while another was wounded.

Similarly, our Defense Services columns are courageously engaging in battles in order to capture the other remaining KNU camps.

'Final Push' Against Manerplaw

BK1803120092 Hong Kong AFP in English 1140 GMT 18 May 92

[Text] Bangkok, March 18, (AFP)—Burmese troops have begun their final push against Manerplaw, the headquarters of the country's pro-democracy movement, by shelling the settlement, Thai border police reported Wednesday.

They said some damage was done to buildings in the town, situated only yards (meters) from the Thai border, but no injuries have been reported.

The shelling, which began Tuesday, has so far been described by border police as sporadic, but "no doubt the shelling will be stepped up in the days to come," said one, referring to an order from Burmese intelligence chief Major-General Khin Nyunt to take Manerplaw by Armed Forces Day on March 27.

Meanwhile, people trying to reach the town have been advised by sources in the Karen ethnic group, which has rebels operating in the area, that access is now extremely difficult.

"It is a question of people coming out rather than people going in," said one Karen.

Dr. Sein Win, prime minister of the pro-democracy parallel government, returned to Bangkok from Australia late Tuesday night intending to return to Manerplaw by the end of the week, but sources said his trip there may have to be cancelled.

Speaking in Sydney earlier this week, he had said that if it was impossible to defend Manerplaw everyone would leave, including the Karens, and let the Burmese junta take it.

Said a source close to the parallel government: "We are studying the situation very closely. Obviously, if the Burmese troops start heavy shelling, the whole of Manerplaw will have to be evacuated."

The situation in Manerplaw became critical last weekend when Rangoon troops overran Sleeping Dog Mountain, the town's key defensive position.

Karen sources say they will try and retake it but independent military experts doubt that the guerrillas, who have suffered severe casualities since the start of the year, have the capability to push back the Burmese troops.

Northeast of Manerplaw, Thai troops are in the final stages of rounding up Burmese troops who crossed the border to launch a rear attack on Karen positions opposite Mae Hong Son province.

A Thai Army official said they have recovered the bodies of five Burmese soldiers killed during fighting between the Burmese and Thai soldiers on Monday.

Thai Interior Minister Itsaraphong Nunphakdi visited the area Tuesday and warned that Thailand would take tough action against any Burmese troops who cross the border.

His warning came as the Thai Government handed an official protest letter to the Burmese ambassador here, complaining about the incursions by Burmese troops.

Thai Foreign Minister Asa Sarasin warned Monday that the stepped up fighting in Burma could lead to tension between the two countries.

Brunei, Malaysia & Singapore

Malaysia

Minister Denies Anti-U.S. Bias in Phone Contract

BK1803102592 Singapore THE STRAITS TIMES in English 18 Mar 92 p 20

[By Kalimullah Hassan]

[Text] Kuala Lumpur—Malaysia yesterday denied that it had adopted an anti-US stance, saying that recent government actions were not directed against US companies.

Information Minsiter Datuk Mohamed Rahmat told reporters at his office: "It is very wrong to say that we are anti-US.

"In any relation between countries, there are points where we differ. That does not mean we are hostile to that country."

Speculation is rife in diplomatic and business circles that Malaysia, angered by US opposition to its proposal for an East Asia Economic Caucus (EAEC) and other perceived slights by the Americans, is not favouring US products or their companies when awarding government contracts.

The speculation has been fuelled by recent events, including the failure of US telecommunications giant American Telephone and Telegraph (AT&T) to secure a lucrative M$2 billion (S$1.3 billion) contract for digital exchanges.

US officials have also expressed concern that a television advertisement for Washington apples is not being aired over Radio Television Malaysia.

Datuk Mohamed said that the Washington apples commercial had not been banned "but is being reviewed to see whether it complies with our advertisement code".

He said that the commercial would not be aired until the Health Ministry determined if chemicals used to make the apples look red and glossy were safe for consumption.

The ministry was also studying whether the inclusion of the phrase "Washington State apples" in the commercial was tantamount to promoting the state of Washington, in violation of the advertising code.

The commercial was just one of many others, both local and foreign, being reviewed by his ministry, added the minister.

"There is no ban. Other US companies like Marlboro, Peter Stuyvesant and Lucky Strike advertise all the time without any problem.

"It is untrue to say we are banning their commercials."

Last week, Finance Minister Datuk Sri Anwar Ibrahim, in an interview, also dismissed notions that the AT&T bid for a Telekom Malaysia contract had been rejected because it was a US firm.

"We have no reason to slight the US. It is a question of price," he said.

Ministry officials said that AT&T failed to secure the contract because its bid was the highest of nine tendered.

Three of the five successful tenders were European while two were Japanese.

AT&T's local partners, AT Telecommunication Sdn Bhd [Company Limited], said in a protest letter to Prime Minister Datuk Sri Dr Mahathir Mohamed that the US government had written a letter supporting AT&T's bid and claimed that the Telekom decision would "further strain Malaysia-US relations".

Datuk Sri Anwar said that he received a letter from the US Secretary of Commerce supporting the AT&T bid.

"It was a polite letter. That is normal. There was no pressure from the US."

American diplomats here were also concerned when Dr Mahathir, who has criticised the US strongly for its opposition to the EAEC, declined to take a telephone call from US President George Bush when he visited Singapore in January.

Malaysian Foreign Ministry officials confirmed that the Prime Minister did not take Mr Bush's call "because he does not like to discuss official matters on the telephone".

However, US officials viewed the incident as a reflection of Malaysia's resentment over their active opposition to the EAEC.

But a senior Malaysian Cabinet member said: "Perceptions that we are anti-US are pure conjecture.

"The US firms do not seem to think so. They have become our biggest investors, overtaking even Taiwan and Japan."

The Malaysian BUSINESS TIMES reported on Monday that US firms accounted for M$1.3 billion of proposed investments totalling M$1.7 billion for January this year.

Official Foreign Trade Report Issued

BK1703092192 Kuala Lumpur NEW STRAITS TIMES in English 16 Mar 92 p 16

[Currency cited below in the Malaysian ringgit]

[Text] Malaysia is now trading more with Asians than with Americans or Europeans, the latest official trade statistics showed.

The country's trading pattern has somewhat shifted towards doing more business with its Southeast Asian and Northeast Asian neighbours rather than with its traditional partners—the United States and the European Community.

An analysis of the trade figures released by the Statistics Department showed that total trade with Asian countries accounted for $114.06 billion or 58.26 percent of Malaysia's total trade of $195.79 billion in 1991.

In 1990, trade with its Asian partners flourished to $89.05 billion or 56.09 percent of Malaysia's total trade of $158.77 billion.

Consequently trade with the United States, which although grew by 17.74 percent on an annual basis to $31.46 billion last year, amounted to only 16.07 percent of the total business.

In 1990, trade with the Americans was at $26.72 billion or only 16.83 percent of the total.

Trade with the EC amounted to $27.73 billion last year, representing an annual growth of 18.35 percent, but this was only 14.16 percent of the total trade.

Japan remined Malaysia's biggest trading partner, accounting for 21.13 percent of the total trade last year at $47.37 billion or 31.08 percent more than in 1990.

Malaysia's trade with ASEAN has also prospered from $38.01 billion or 23.94 percent of the total trade in 1990 to $47.71 billion or 24.37 percent of the total trade last year.

The country's biggest ASEAN trading partner was Singapore, accounting for almost 80 percent of the total ASEAN trade at $37.74 billion.

In terms of exports, Malaysia sold $94.67 billion worth of goods last year or 18.86 percent more than in 1990.

Interestingly, Malaysia's exports to its Asian partners were higher than its global average.

For instance, exports to Japan grew by 19.22 percent to $15.01 billion in 1991 while goods sold to ASEAN jumped by 20.09 percent to $27.68 billion.

Additionally, exports to the whole of Southeast Asia and Northeast Asia combined expanded by 20.06 percent to $54.61 billion.

In comparison, exports to the United States grew by 18.46 percent to $15.98 billion while to the EC was $13.97 billion or a climb of 17.80 percent.

Malaysia imported $101.12 billion worth of goods last year or 27.81 percent more than in 1990.

But the percentage growth of imports from Southeast Asia and Northeast Asia advanced by 36.23 percent to $59.45 billion last year while that of ASEAN surged forward by 33.89 percent to $20.03 billion.

Imports from Japan soared 38.96 percent to $26.36 billion last year but goods bought from the EC only showed a 19.03 percent increase to $13.76 billion.

Singapore

Note Sent to Malaysia on Disputed Island

BK1703102392 Singapore THE STRAITS TIMES in English 17 Mar 92 p 3

[Text] Singapore sent Malaysia another reminder last week to set an early date for the exchange of documents to determine the ownership of Pedra Branca on a legal basis.

The diplomatic note was sent following Malaysia's failure to respond to an earlier one sent by the Attorney-General [A-G] on Feb 17, Foreign Minister Wong Kan Seng disclosed in Parliament yesterday.

The A-G had written a memorandum to his Malaysian counterpart setting out the legal arguments and documents proving Singapore's ownership of Pedra Branca, which the Malaysians call Pulau Batu Putih.

He also proposed that the two sides meet in two weeks' time to settle the ownership issue. There was no reply.

Said Mr Wong: "We just sent, at the end of last week, another note to Malaysia requesting them to set an early date for the exchange of documents. We hope to receive a reply soon."

Earlier, he gave Parliament a quick history of the 12-year-old dispute when he replied to a question from Mr Bernard Chen, the chairman of the GPC [Government Parliamentary Committee] for Defence and Foreign Affairs, during the debate on his ministry's budget yesterday.

Pedra Branca, on which the Horsburgh Lighthouse stands, is located some 55 km from mainland Singapore and has been under Singapore's administration for more than 150 years.

Mr Wong reminded the House that Malaysia and Singapore agreed in 1980 that both sides should resolve the dispute by referring to any ownership documents that they had.

In December 1981, former Prime Minister Lee Kuan Yew and Malaysian Prime Minister Datuk Sri Dr Mahathir Mohamad agreed on a formal exchange of these documents to sort out their countries' claims to the island.

On July 6 the next year, Singapore told Malaysia that it was ready to exchange documents, and gave repeated reminders at both ministerial and official levels and through diplomatic channels.

"There was no response, even though in October 1991, our Prime Minister and Dr Mahathir reaffirmed the 1981 agreement to resolve the matter through a formal exchange of documents as soon as possible."

He said that Mr Goh Chok Tong and Dr Mahathir discussed the issue again when they met during the Fourth ASEAN Summit here in January.

Both Prime Ministers agreed that their Attorney-Generals should effect the exchange of documents.

Mr Wong described Dr Mahathir's statement that the issue should be resolved by legal means as a "very positive development".

"The sooner Pedra Branca is settled, the better. It is an unnecessary irritant in bilateral relations."

Cambodia

Hun Sen Views Upcoming U.S., Japan Trip

BK1903093892 Hong Kong AFP in English 0923 GMT 19 Mar 92

[By Sheri Prasso]

[Text] Phnom Penh, March 19 (AFP)—The prime minister of the Cambodian regime never recognized by the United States will head to Washington on Friday to try to convince U.S. congressmen to hurry up and free crucial funds needed for the U.N. peacekeeping operation in Cambodia.

The success of the largest-ever U.N. peacekeeping operation depends entirely on the amount of money from donor countries to fund it, Hun Sen said in an interview before his trip. The key countries are the United States and Japan.

Hun Sen is due to stop off for three days in Tokyo, meeting Prime Minister Kiichi Miyazawa on Monday, before heading for Washington and New York.

"The present danger is not at all from the Khmer Rouge," the prime minister told AFP [AGENCE FRANCE-PRESSE]. "If we do not have money for the UNTAC [United Nations Transitional Authority in Cambodia] operation, the Khmer Rouge will take advantage and return to power."

The United States and Japan each are expected to fund a third of the cost of UNTAC's operation, budgeted for nearly two billion dollars.

The U.S. State Department has recommended that Congress appropiated 700 million dollars to the world's peacekeeping operations over the next two years, with the lion's share meant for UNTAC.

The recommendation, part of the whole foreign aid bill, has yet to be approved by congressional committees or voted on in either of the two houses of Congress.

The procedure is expected to be unusually slow due to 1992 being an election year.

The United States had funded guerrillas who fought for nearly 13 years to oust Hun Sen, before Cambodia's civil war ended with a peace agreement last year and a decision to set up UNTAC last year.

While Washington has not recognized the Hun Sen regime, it has set up a mission in Phnom Penh recognizing the Supreme National Council (SNC), which represents Cambodia's sovereignty under UNTAC supervision. Hun Sen is a member of the council.

Hun Sen is scheduled to meet Democratic Party representatives Steven Solarz of New York and Chet Atkins of Massachusetts—both of whom are active in Asian affairs—as well as top State Department officials.

"I hope to be able to get the support from the United States Government to provide the money for the UNTAC operation," Hun Sen said.

But he said he could not yet hope for the bilateral aid that comes with diplomatic recognition and must rely on humanitarian organizations that have been doing work here throughout the civil war.

"This (bilateral aid) may be the next step," Hun Sen said. "With the lifting of the trade embargo (in January), this is already a lot from the United States."

The prime minister also said he will assure U.S. politicians of Cambodia's full cooperation in the search for U.S. nationals killed or missing in action during the Vietnam War.

Phnom Penh has already turned over six sets of remains to the United States, none of which could be identified.

The first U.S. military excavations got under way earlier this month but proved relatively unsuccessful.

Some remains were found, but the MIA seach team was not optimistic that the bones could be identified as those of U.S. servicemen.

The prime minister in the interview also pledged his full support to UNTAC and its takeover of the five key areas of Phnom Penh's administration.

"Some say the longer you are free to exercise power the better, but as far as we are concerned we would like to be the best students in implementing the Paris peace agreement," he said. "We need to see a quick implementation of these agreements."

Urges Japan To Send Troops

OW1903062692 Tokyo KYODO in English 0548 GMT 19 Mar 92

[Text] Phnom Penh, March 19 KYODO—Cambodian Prime Minister Hun Sen on Thursday called on Japan to send troops to Cambodia to join the U.N. peacekeeping forces that began their truce-monitoring activities Sunday.

"Japan should dispatch soldiers to back up the activities of the United Nations Transitional Authority in Cambodia (UNTAC)," said the premier of the Phnom Penh government.

Hun Sen told a group of Japanese reporters that Cambodia also wants Japan to send policemen.

Hun Sen's request came amid reports that U.N. officials accused the Khmer Rouge of launching coordinated infantry and rocket attacks against the Phnom Penh government's troops in their most serious attack in more than a year.

The Japanese press met Hun Sen three days before his planned visit to Japan, scheduled to start Saturday.

Meanwhile, parliamentary Vice Foreign Minister Koji Kakizawa arrived here Thursday morning. He is scheduled to meet Hun Sen, Prince Norodom Sihanouk, chairman of the Supreme National Council, and UNTAC head Yasushi Akashi during a three-day visit.

UN Chief 'Extremely Concerned' Over Rights

BK1903103092 Hong Kong AFP in English 1014 GMT 19 Mar 92

[By Sheri Prasso]

[Text] Phnom Penh, March 19 (AFP)—The head of the U.N. peacekeeping mission in Cambodia, Yasushi Akashi, expressed "extreme concern" Thursday over human rights following the death of a top dissident.

Yang Horn, 55, the closest adviser to leading government critic Oung Phan, received a severe blow to the head Sunday and died at the airport Thursday morning as he was being taken to a Bangkok hospital for brain surgery, officials and family members said.

The cause of blow that killed Yang Horn is not clear, but family members initially suspected a politically motivated attack. He received the blow on a crowded downtown street Sunday night and had been in critical condition ever since.

Akashi said the U.N. Transitional Authority in Cambodia (UNTAC) was ready to take Yang Horn to a Bangkok hospital when he died at the airport gates.

A U.N. investigation into the "incident or accident" that killed the dissident was inconclusive, he told a press conference.

"Violations of human rights and fundamental freedoms during this transition period will be of extreme concern to me, as they directly affect the conduct of free and fair elections," he said.

"In this context, I have seen various reports recently of alleged attacks on certain individuals which may have been politically motivated," he said.

"Preventing and punishing attacks on individuals, especially if they are politically motivated, will be an important priority for UNTAC and for the local authorities"

The U.N. body's 3,600-strong police force, which has not yet arrived in Cambodia, will have full powers "to take corrective action" in instances of political violence.

"We have the power to remove officials," Akashi said.

Phnom Penh Prime Minister Hun Sen told AFP [AGENCE FRANCE-PRESSE] he believed the dissident was gored by an ox.

"I do not know exactly the incident... but I heard that he was hit by an ox," the prime minister said in an interview late Wednesday. "The ox hit him with his horn.

When told Yang Horn was injured on a busy downtown street where oxen have never been spotted, Hun Sen said: "I do not know the incident, but Mr. Oung Phan told me he (Yang Horn) was hurt by an ox."

Oung Phan responded the prime minister must have "made a mistake," and relatives said they were told Yang Horn was knocked down by a motorbike.

Hun Sen was speaking through an interpreter, but there is little likelihood of misunderstanding as the words for "motorbike" and "ox" in the Khmer language bear no similarity.

His family and friends said they were suspicious of the motorbike story because the dissident had only one mark on his body—a large welt in the middle of his forehead caused by a severe blow.

Yang Horn needed brain surgery to save him and no doctors in Cambodia are qualified for such an operation. The procedure, called trepaning, drains blood and fluids trapped under the skull and putting pressure on the brain.

U.N. officials had expressed concern that an attempt to evacuate Yang Horn might kill him because of high altitude pressure, but his family insisted on trying.

The Phnom Penh Foreign Ministry initially refused the passport application, family members said, so Oung Phan made a special plea to the prime minister to intervene to issue an immediate passport.

Yang Horn had spent three days in a local hospital with regular electricity outages and no oxygen until a reporter purchased a supply on the free market. Family members said he had stopped breathing for about three minutes before the oxygen was administered.

Prince Sihanouk Pays Visit to Takeo Province

Speaks at School Opening

BK1803122392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 17 Mar 92

[Speech by Prince Norodom Sihanouk at inauguration of a high school in Samraong District, Takeo Province, on 17 March—recorded]

[Summary from poor reception] Greetings to the clergy, compatriots, and children; greetings to "His Excellency [H.E.] Hun Sen, chairman of the State of Cambodia's Council of Ministers, whom I most highly regard and love very much, and Mrs. Hun Sen."

I thank the clergy, compatriots, the Takeo provincial leaders who, "under the clear-sighted leadership of Their Excellencies Chairmen Chea Sim and Hun Sen," are here in great numbers to honor our visit. We have been separated for over 20 years. "I would like to briefly talk about this again. I have received the same request from beloved compatriots, children, and the clergy. I have been asked not to desert you." Let me stress once again that I have never done that. "Now that the Cambodian People's Party [CPP] has requested to be the younger brother of the Sangkum Reas Niyum and to continue with the latter's policy, I have no reason to desert you." In his fine speech, the provincial governor talked about the development in Takeo Province, "and the water policy the CPP has adopted." He also recalled the Chhuk Sar dam. "I was the one who started this dam."

We have fought for our independence but "the Pol Pot, Ieng Sary group spoiled our victory." Our national liberation victory on 17 April 1975 was really great. It should have not been spoiled. Our family, your family, and my own suffered greatly. "Later on, since 7 January 1979, the front, the CPP, and the State of Cambodia's Government were set up. That is why you now enjoy freedom and happiness." Our Buddhist religion has been revived. "These are the achievements of the State of Cambodia's Government and the CPP which have agreed to go along the path I have chosen."

I am very happy to be considered as father. "Children in the State of Cambodia and the CPP dispatched H.E. Hun Sen and his wife to Beijing, China. I was in exile abroad. Everyone knows this. British papers say I was in exile. It means that I was barred from returning. Lon Nol and Sirimatak prevented me from returning. They said I would be immediately executed if I came back. What is the use of coming back to be executed? The purpose for coming back is to serve the nation and see you all. It is no use to come back to be executed right away. I was not afraid of being killed. I wanted to be alive to serve the nation."

I am very happy to see that you now live with freedom, happiness, and peace "under the clear-sighted, astute, and genuine nationalist leadership of the CPP and the State of Cambodia's Government." You have made great achievements following the tragic period when we lost what we achieved in the Sangkum Reas Niyum. "These achievements are not mine alone as I cannot achieve this without all of you. These belong to our nation as a whole. You have scored these new achievements, such as this high school."

Agriculture is our nation's largest sector. We have survived and prospered through agriculture since the Angkor period. "During that period, our ancestors achieved immense results. Specialists from Western and other developed countries have also expressed their admiration for these achievements from the 9th to the 10th, 11th, and 12th centuries, when Cambodia was highly developed technically." Now you can produce more dry season rice. "I most warmly congratulate the children in Takeo, the CPP, and the State of Cambodia's Government."

As I have said to children in other provinces I visited before coming to Takeo, the foundation for development, progress, and happiness of our Cambodian nation and people and for defending our independence and territorial integrity is the economy and agriculture. "Another foundation that will sustain us is education and public health. You have also made great achievements in these two sectors."

"Children, education is most important because knowledge, science, and technology are necessary if we want our country to develop and catch up with civilized countries. We used to have this development and prosperity but since 18 March, and particularly in that bitter era, we had been on the decline. Now we have to strive to develop our country and provide our children with

sufficient knowledge, not only for their own benefit but also for the country as a link with the Angkor era. The CPP slogans are correct in referring to the Angkor motherland because Angkor is a good model for our entire nation for centuries to come. Nothing can be compared to the Angkor era when our country was a great power. We do not aspire to be a great imperialist power, we only want to link our nation with the Angkor as we are nationalists."

A lot has been achieved with the implementation of the Paris agreement "under the chairmanship of the Prince Father Norodom Sihanouk, chairman of the Supreme National Council [SNC] of our nation, with H.E. Chairman Hun Sen as a noble member, one among 11 members." We, the four parties, work under the chairmanship of the Prince Father Norodom Sihanouk and cooperate with the United Nations.

"Now, the chief UN representative who will be working with us has arrived. Mr. Yasushi Akashi is Japanese. He is well-disposed towards our Cambodia and is a high-ranking UN official. He is not coming to help us as a Japanese but as the representative of the UN secretary general and the United Nations, the highest assembly in the world. The United Nations has dispatched its forces not to fight but, as honored forces, to give us peace. This force is many thousands strong. So far, a few thousands have arrived. From what I am told, perhaps up to 16,000 are coming."

I have learned that at places such as Kompong Thom, there is still not 100 percent peace and security despite the fact that we signed the 23 October 1991 peace agreement. We need the United Nations to assist us in restoring peace. "We welcome the United Nations. They will not stay for long, only 16 months. In 13 months there will be elections, so that we will have a National Assembly and a national reconciliation government and only one Cambodia—the way it was under the Sangkum Reas Niyum era, with full independence, territorial integrity, and unity, and so that we do not have regions belonging various parties."

"I would like to explain to all of you in the provinces, because the United Nations has asked me to, the essence of the Paris agreement at the end of my address. We have decided that our regime will be liberal democratic. This means that you will have freedom. However, this freedom has been decided by the CPP and the State of Cambodia's Government with Their Excellencies Chea Sim, Hun Sen, and Heng Samrin before the agreement. H.E. Hun Sen and myself had made concessions to each other on the future and destiny of our (?nation) since 1987. The Paris agreement was signed last year, in 1991. We are not boasting. Rather, we have already organized our nation's destiny and future together." I and Hun Sen met in neutral countries such as France, Indonesia, the DPRK, and the United States.

There will be 120 people's representatives in the National Assembly. "The elections will be in April or May 1993. The people and the clergy will have power in the National Assembly through 120 representatives who will draft laws in accordance with the desire, needs, and requests of our people. The National Assembly, not me, will set up a government and choose a prime minister. It will draft laws and set up a government. If it is satisfied with the work done by the government, it will keep the government. If not, it will replace it. This is what is called liberal democracy."

From now on you have full freedom. I have been asked to explain this to you. Since you have asked me not to desert you, I will not ask to be king but head of state. I will be a candidate in next year's elections. "You could vote for another candidate. I have already promised you that I will not abandon you. If I am not head of state after the elections, I will still live with you. I will not desert you and the clergy."

"The United Nations has asked me to talk about this because you still do not understand the elections." Children, be informed that there will be only one election but that there will be two ballot boxes. One of them is for the people to elect their representatives and one for the head of state. My picture as well those who are running with me for head of state will be on the box. You put the picture of the person you want into the box. The other box is for electing people's representatives according to their parties. For example, if you like H.E. Hun Sen's party—there will be symbol for it—then you should vote according to the party symbol. There will be two elections. The election for the National Assembly is for electing the party to represent the people. The other is for the head of state. However, to save you time, and money in organizational expenses, both elections will be held on the same day."

"If you need me to serve you as father, to reconcile and unify the nation and provide happiness and comfort for you, I am willing and happy to continue serving you with all my power. Thus, next year, I will be a candidate during the election for the head of state. It is up to you whether to elect me or not. [chuckle] This is not propaganda, only information for you."

Addresses Development Center

BK1803132592 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 18 Mar 92

[Summary] After opening a high school built in his name in Samraong District on 17 March, His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the Cambodian Supreme National Council [SNC], and his royal consort went in a motorcade to open a nearby development center donated by the UN High Commissioner for Refugees [UNHCR] for the people of Takeo. The center is made up of four buildings for weaving, dressmaking, carpentry, and blacksmithing.

"Accompanying the royal couple were, among others, His Excellency [H.E.] Hun Sen, vice chairman of the

Cambodian People's Party [CPP] Central Committee, chairman of the State of Cambodia [SOC] Council of Ministers, and SNC member, and madame; H.E. Chea Soth, Standing Committee member of the CPP Central Committee; H.E. Kong Sam-ol, CPP Central Committee member and vice chairman of the SOC Council of Ministers, and madame; and Mr. So Phirun, chairman of Takeo Province Party Central Committee and People's Committee, and wife. Other central and provincial dignitaries as well as ambassasdors and representatives of the diplomatic missions of Vietnam, Bulgaria, Czechoslovakia, Cuba, Germany, the PRC, and the Kingdom of Thailand accredited to Cambodia were also present."

Prince Norodom Sihanouk was warmly received by the people and all personalities at the development center. After officially opening the center and touring the facility, Samdech Euv [Prince Father], the princess consort, H.E. Hun Sen, and their entourage listened to a report by the head of Samraong District.

[Begin district head recording] We warmly welcome Your Royal Highnesses to our district to inaugurate this development center the UNHCR started building in June 1987 to provide handicraft training for our people as part of the efforts to rebuild our country. The staff of this center consists mostly of instructors specializing in weaving, dressmaking, carpentry, and blacksmithing. Like the people in the rest of the country, we in Samraong hope that the past bitter period will never return and that the Paris peace agreement will bring genuine peace and development to the country.

"We deeply thank Your Royal Highnesses for visiting your children, grandchildren, and great-grandchildren working at this center. We wish Your Royal Highnesses success, good health, and a very long life so that you will remain as our protector and lead us toward national reunification and genuine peace in the near future." Since we have been waiting for quite sometime to hear Your Royal Highness speak, Samdech Euv, please take the stand. [cheering and applause] [end recording]

[Begin Sihanouk recording] "My respects to all grandmothers, grandfathers, uncles, aunts, brothers, sisters, children, grandchildren, and great-grandchildren whom I miss and love so much; my respects to H.E. Chairman Hun Sen and madame; my respects to Their Excellencies the leaders of the provincial party and the SOC administration and madames; my respects to all ladies and gentlemen, my children and grandchildren, both from Phnom Penh and in this glorious Takeo Province, such as H.E. the chairman of Takeo Province and madame:

"First of all, allow me to thank all my most missed and beloved grandmothers, grandfathers, uncles, aunts, brothers, sisters, children, grandchildren, and great-grandchildren for turning up by the thousands and ten thousands, according to the estimate of my most esteemed and beloved H.E. Prime Minister Hun Sen. He has estimated that Samdech Euv is being welcomed today by about 100,000 or even 110,000 children and grandchildren from Samraong District, Takeo town, and all other districts and villages of Takeo Province. You have come here with all your family members to meet me and many of you have kindly asked me not to leave you again. I would like to tell you that I have never entertained any thoughts of being separated from you. I went into exile because of the coup d'etat of Mr. Lon Nol and Sirik Matak, and during the time of Mr. Pol Pot and Mr. Ieng Sary, I was under house arrest and could not see all of you. Now I can see you again and I have no other wish than to stay with you forever until [words indistinct]. We are not going to be separated again, my children. Moreover, as noted in his speech by the chief of Samraong District [words indistinct] we now are united. The SOC Government and CPP with H.E. Chea Sim, H.E. Hun Sen, and H.E. Heng Samrin as enlightened leaders with Samdech Euv Norodom Sihanouk will work and closely cooperate with one another. We must see to it that our nation remains independent and enjoys peace and happiness forever so that all of you can be happy and prosperous as in the time of Samdech Euv before our separation, before the coup d'etat [words indistinct] in the future under the shade of Buddhism, as in the past.

"I am very pleased with the CPP and SOC Government with H.E. Chea Sim, H.E. Hun Sen, and H.E. Heng Samrin as leaders. I am very pleased with them for carrying on the mission left over from the period of Sangkum Reas Niyum [Sihanouk's Popular Socialist Party] of which I was chairman. Now that the three chairmen who are my children are continuing with the work, I am very happy, especially to see that our Takeo Province, our Cambodia as a whole have now recovered its independence and peace as in the Sangkum Reas Niyum era and has scored many achievements. We had so much fun in the past. Do you remember the old days when I had so much fun coming by car or helicopter to this or that area, in Takeo Province in particular and in our Cambodia in general to inaugurate the accomplishments of Sangkum Reas Niyum? I am very delighted as I can now inaugurate the many new accomplishment everywhere I visit, in the company of H.E. Hun Sen, H.E. Chea Sim, or H.E. Heng Samrin. I am very pleased to see new accomplishments everywhere. Now you know me: I would be most happy to inaugurate accomplishments wherever they are. You have been working day and night so that I can come and see them. Now, it is like in the past as I am inaugurating new schools, clinics, hospitals, handicraft centers, new achievements of the CPP or Sangkum Reas Niyum legacies that have been restored, repaired, or improved upon. I am very happy to see that our nation, our Cambodia has revived. It is now thriving under the protection of Buddhism as before, has peace and prosperity again as before, and is advancing on the road of development and progress as before. I am boundlessly happy. Now that I see that all of you have freedom and honor and can smile again, I am extremely happy.

"Let us talk about this place. I have just inaugurated a great accomplishment, a tremendously beautiful one by

the family of H.E. Hun Sen in the presence of his own father who is here, too. [Sihanouk apparently addressing Hun Sen's father] You are my junior? How old are you? One year younger? We are of the same generation, yes [words indistinct] he has led all children, grandchildren, and charitable persons, including Buddhist monks, to build a high school so big it looks like a college. I am very pleased with that. I have just inaugurated it. It is a super accomplishment, one that will be useful to the nation and youths, who are its future. I have just inaugurated it. And you, my children, you even call it the Samdech Euv High School to show your love and gratitude to me for loyally serving you [words indistinct] and bringing independence to the nation in the past. I am happy to see that you have not forgotten my past good services. It is your achievement, your accomplishment [words indistinct] that I have inaugurated this morning. I thank you very much for calling it the Samdech Euv High School.

"Moreover, now I am inaugurating another important achievement. This one is the result of CPP and SOC Government cooperation with the UNHCR, a distinguished and important agency of the United Nations that has come to help rehabilitate Cambodia in various areas. UNHCR, UNDP [UN Development Program], and other UN branches have come to help us. Presently, the chief, Mr. Akashi, who is an important UN representative, and the UN peacekeeping forces have come to our country to help us so that we can have happiness and help us in national construction and development, such as building this center. This is very important to our people as handicrafts were traditionally very advanced in Takeo Province and famous. Now you are reviving the art, and I warmly congratulate Takeo Province, the children and grandchildren of this glorious province, and those in Samraong District in particular. I have already seen the sites and equipment donated by the UNHCR to help us and which I have inaugurated here. I thank the SOC Government, the CPP, and UNHCR for bringing us development. This assistance is given to all provinces and towns. In coming here the United Nations is aware that in the decades following Mr. Lon Nol's coup d'etat and during Mr. Pol Pot's reign we were in a pathetic state. So, it is now helping us catch up with the modern era without wasting any more time. That is the strengthening of our national position so that Cambodia can live forever.

"As I have told my children and grandchildren at the Samdech Euv High School just now, we are human beings and we all grow old and die. But after death, our good traditions, our religion, our national construction and defense will continue so that our nation, our motherland continues to prosper, becomes glorified and eternal. This is because our children and grandchildren and the later generations will take over Cambodia's cause and carry on in the future so that Cambodia will remain glorious and prosperous [words indistinct] as in the Angkor era.

"I have to end my speech here because I have just made a long one at the Samdech Euv High School. It is time for you to have lunch before you faint from hunger. As for me, thanks to the protection of the Triple Jewel of Buddhism, I am able to stay with you and become your shade again to defend national independence and peace for you. I am 70 years old now but I still feel quite strong. I have never had any bout of dizziness or apoplexy. I am most happy to see you, my children, in all [word indistinct] and I take this opportunity to ask Takeo children for permission to inform my children in provinces I have not yet visited that I will not fail to see them. I am visiting my children every week so that I will meet all of them. I am quite busy working with the United Nations and attending meetings to solve different problems in Phnom Penh but, whenever I am free any week, my children and grandchildren can be assured that I will not fail to visit you and give you encouragement in all provinces and towns of Cambodia, of the SOC. I will then inaugurate your accomplishments, the achievements of the CPP and SOC Government and all their members, whom I admire most warmly one more time for doing all they can to develop our nation in all areas and to make our people happy and prosperous, as has been pointed out by the head of Samraong District. We must do everything we can to eliminate the poverty of our people. The poor must be the first to get help so that their poverty can be reduced and their living conditions gradually improved. This is a program for all of us who must serve the people. We must provide the young with education and the general public with health care. See to it that poverty is eliminated. We must serve the poor first. In this area, I once praise the CPP, SOC Government, and Kampuchean United Front [for National Construction and Defense] and all their members and the United Nations and friendly countries that have been helping us in national reconstruction for our gradual advance toward development and progress. Thank you.

"Present here are also their excellencies the ambassadors of various countries, who have come to encourage us in national reconstruction. We must also thank them and those gentlemen representing UNHCR [words indistinct]. On handicrafts, allow me to say again that this is good and useful for our children as they can be trained according to the good traditions of our nation and be taught to use equipment and machines [words indistinct] to enhance production. This will provide them with job opportunities that will help the nation's handicraft production and Takeo Province in particular, to become more famous both at home and abroad. [Words indistinct] the CPP and SOC Government have worked to improve, such as education and social actions.

"I am pleased that H.E. Chairman Hun Sen of the SOC Government has generously donated through the Samdech head of state and father of the nation one million riel to this center for the promotion of handicrafts in Takeo. I thank Your Excellency very much [passage indistinct] I myself will personally donate 500 U.S. dollars to the health care sector, to the hospital of Samraong District. This is because as I said just now the

health of the people, the health of all grandmothers, grandfathers, uncles, aunts, brothers, sisters, children, grandchildren, and great-grandchildren is very important [words indistinct]. Since H.E. Hun Sen assists in handicrafts, I think I should assist in public health. I thus donate 500 U.S. dollars from my pocket for public health [words indistinct] this is our riel money. It is quite heavy. The U.S. money is also valuable, but much lighter. Our riel money is heavy [chuckles] [words indistinct] I donate 500 U.S. dollars to the hospital of Samraong, Takeo Province. Thank you very much [words indistinct] thank you, my children from the handicraft booths, for giving me and my wife some mementos. May all the goodnesses that I have done protect all ladies, gentlemen, grandmothers, grandfathers, uncles, aunts, brothers, sisters, children, grandchildren, and great-grandchildren. May all of you enjoy the five Buddhist blessings without fail. Thank you very much. I am very glad to see all of you. [end recording]

"This ceremony wound up joyously after HRH Prince Norodom Sihanouk and his royal consort presented Samraong District and Takeo Province with some memorabilia [words indistinct]."

Annual Meeting on Agriculture Closes

BK1903053192 Phnom Penh SPK in English 0403 GMT 19 Mar 92

[Text] Phnom Penh SPK March 19—The yearly meeting on agriculture has closed here recently after three days' session to review the agricultural activities in 1991 and made new plan for 1992.

According to the report presented at the meeting last year the farmers throughout the country planted dry and rainy season rice on 1,819,500 ha or 86.60 percent of the target with the output 2,400,000 tons attaining 81.30 percent of yearly plan for rice production.

The shortfall in rice production was due to the last August flood which washed away 334,700 ha of rice, of which 150,000 ha was completely destroyed, and affected more than 259,700 families, the report said.

The shortage of food was estimated at around 170,000 tons of rice in 1992.

The forest exploitation achieved 89.60 per cent of the planned 160,000 cubic metres of timber while the forest joint venture exploitation attained more than 179,150 cubic meters or up by 48.50 per cent.

The fresh and sea water production was seen increased with 74,700 tons of fish or 33 per cent over plan and 36,400 tons or 21 per cent over plan respectively.

Fish rearing achieved 6,700 tons or up by 11 per cent over the target.

For 1992, the meeting approved the plan for rice cultivation on 2,200,000 ha, 70,000 ha of maize, 80,000 ha of subsidiary food crop, 76,000 ha of industrial crops.

The meeting also set out plan to produce 400,000 cubic meters of timber, regreen 2,000 ha with young tree and net 105,000 tons of river and sea fish.

Kong Sam-ol Receives SRV Forestry Delegation

BK1903032092 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 18 Mar 92

[Text] On the afternoon of 17 March at the office of the Council of Ministers, His Excellency Kong Sam-ol, member of the Central Committee of the Cambodian People's Committee, vice chairman of the Council of Ministers, and minister attached to the Cabinet of the Council of Ministers, granted an audience to a delegation from the Vietnamese Ministry of Forestry led by (Pham Quang Tin), deputy minister of forestry of the SRV.

On that occasion, H.E. Kong Sam-ol warmly and cordially welcomed (Pham Quang Tin) and his colleagues and informed the guests of the achievements made in various fields by Cambodian people in the past 13 years, particularly in agricultural and forestry fields. He also informed the guests of the State of Cambodia Government's efforts to correctly implement the Paris peace agreement on Cambodia, adding however that there were some obstacles due to fact that the Khmer Rouge side was still violating the cease-fire accord.

In his reply, (Pham Quang Tin) expressed deep thanks to H.E. Kong Sam-ol for granting the audience to his delegation, thus enabling it to be informed on the real situation in Cambodia, particularly regarding national reconciliation and implementation of the peace agreement on Cambodia. He added that Vietnam would continue to improve the ties of cooperation and solidarity between Vietnam and Cambodia even more splendidly.

Laos

Political Bureau Instructions for Anniversary

BK1803162792 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 18 Mar 92

[Instruction of the Political Bureau of the Lao People's Revolutionary Party Central Committee on organizing the celebration of the 37th party founding anniversary, issued to party committees attached to all party and state organizations, mass organizations around the center, and party standing committees of all provinces and municipalities throughout the country—dated 16 March 1992]

[Text] The date 22 March 1992 marks another founding anniversary of the Lao People's Revolutionary Party [LPRP]. This comes as the world and regional situations are changing rapidly and in an extremely confusing manner. Also, our entire party, Army, and people are

organizing the implementation of the Fifth LPRP Central Committee's fourth resolution and the resolution adopted at the seventh nationwide conference on organization work. Therefore, in organizing the celebration of the party founding anniversary this year, the party Central Commitee Political Bureau has issued the instruction to all parties concerned to fulfill the following tasks:

1. The celebration of the party founding anniversary must be regarded as a political campaign among the entire party and masses. In doing this, the following objectives and expectations must be firmly grasped. That is, we must more deeply grasp the party's fine traditions. Everyone must be convinced that our goal is to resolutely fight for genuine independence and prosperity for our country and to bring about equality and well-being for our multiethnic people. At the same time, our party always holds aloft the spirit of independence and sovereignty and has taken the initiative to plan and guide the implementation of our own course, thus enabling our revolution to overcome all obstacles and difficulties and to prosper and grow stronger, as it is nowadays. In building its own strength and carrying out its activities, the party has strictly adhered to and applied the principles of democratic centralism with a view to increasing internal unity and unification; promoting self-criticism and mutual criticism; developing close relations with the people; cherishing and coordinating the genuine spirit of patriotism with that of internationalism; resolutely opposing all forms and patterns of privatism and opportunism; further increasing its own strength; (?studying) the overall line of the party stipulated in the resolution adopted at the fifth party congress; and more profoundly (?appreciating) the main attitudes and political tasks for the present period.

All this is done to (?convince our people) to maintain their faith in the line and leadership of the party and to remain firm in the face of all complicated changes in the world situation. We must increase internal unity among the masses and around the party Central Committee, constantly maintain a sense of vigilance, and resolutely resist all designs to effect changes through nonviolent means. The party committees at all levels and all party members must review their leadership and guidance roles in the past year in the spirit of promoting self-criticism and mutual criticism. This is to hold aloft the party's leadership roles which is the leading core of our political system and to consolidate and purify the ranks of party members.

2. There are several forms of celebration for the occasion, depending on the reality. Attention should be paid to the following forms: organizing political campaigns within party units with the aforementioned content; organizing group meetings to discuss traditions; organizing lectures on the traditions or certain party lines and policies; organizing meetings to recall the revolutionary traditions in each locality; and paying attention to enhancing the roles of senior cadres and party members who have committed virtuous deeds for the party and the revolution. (?The mass media) at the center and localities are to carry out propaganda through various forms. If conditions prevail, artistic and literary activities should be organized.

3. All levels and services should mobilize movements to fulfill the immediate political tasks of the services and localities to create achievements to welcome the party founding anniversary.

4. Slogans for the party founding anniversary:
Step up the party leadership role in the cause of renovation!
Pay attention to strengthening the party foundations in all fields!
Long live the Lao People's Democratic Republic!
Long live the majestic and noble LPRP!
Long live Marxism-Leninism.

More Refugees Return From Thailand

BK1703080392 Vientiane Vitthayou Hengsat Radio Network in Lao 1400 GMT 16 Mar 92

[Text] The temporary refugee reception center in Savannakhet Province received 117 Lao refugees from Na Pho and Phanat Nikhom refugee centers of Thailand. Eighteen of them are natives of Khammouane Province, three are from Champassak Province, two from Saravane Province, and 94 are from Savannakhet Province.

As for the natives of Savannakhet Province, the provincial administration, with financial assistance from the United Nations High Commission for Refugees, has already allocated farmland for them.

This is the third repatriation of Lao refugees for this year and 19th since 1989. So far, as many as 945 Lao refugees have returned home.

Philippines

Salonga: Senate Approval Needed for Cubi Access

HK1903055492 Manila THE CHRONICLE in English 19 Mar 92 p 7

[By Johanna Son]

[Text] A new agreement with the United States is needed before the Philippines can legally allow Washington continued access to Cubi Point in Subic Naval Base, presidential candidate and Sen. Jovito Salonga insisted yesterday.

In an interview, Salonga said the new accord should be submitted to the Senate, the same body that rejected the proposed treaty last September.

Salonga raised the alarm on the Palace's plan to grant the access, saying it could mean the presence of foreign military troops or facilities that the Constitution required to be covered by a treaty.

"So there must be some kind of an agreement and this must be submitted to the Senate at the very least," he said, and asked the Palace for more details on landing rights to be given to the U.S. at Cubi Point.

Salonga himself proposed in 1989 that the U.S. be given access to Subic after the 1947 bases accord would have expired, but he said: "This is different."

His previous proposal entailed repairing U.S. ships and allowing the use of the container port facility envisioned for Subic Naval Base.

But the Palace's concept of access, he warned, "is with respect to aircraft, and this may involve the introduction of nuclear weapons into our territory and the introduction of foreign troops."

Earlier, Sen. Wigberto Tanada, seeking reelection under the slate of Salonga and Sen. Aquilino Pimentel of the LP-PDP-Laban [Liberal Party-Nation's Strength] coalition, called the access arrangement unconstitutional.

Despite Senate rejection of a new RP [Republic of the Philippines]-U.S. bases treaty, U.S. military presence in the Philippines remains a contentious issue in the elections, as the presence of nuclear weapons and toxic wastes in the bases remains unresolved. U.S. President George Bush has compounded this further by saying his country intended to be the world's sole superpower.

Kidnappers Demand Ransom for 2 Americans

HK1903051992 Manila PHILIPPINES NEWSDAY in English 19 Mar 92 pp 1, 2

[By Alvin Tarroza]

[Text] Zamboanga City—Kidnappers of two American women, an Australian mother and her young daughter, who were taken at gunpoint in Jolo, Sulu, last Tuesday [17 March] demanded Wednesday [18 March] P2 million [Philippine pesos] and four armalite rifles for the release of the hostages.

The kidnappers, who were led by one Galib Mutalib, released an Australian girl 14 hours after the abduction.

Americans Carol Allen and Tracy Rectanus were visiting Sulu from Manila, where they teach at Faith Academy, school officials said. Their home-towns or ages were not revealed.

The other hostages were Lynette Cook, 32, wife of a Protestant minister, and her daugher Cheree, 5. Her other daughter, Elise, 3, was freed late Tuesday and was returned safe to her father, the Reverend Steve Cook.

The group was driving through a Jolo neighborhood when three armed men flagged down their vehicle, a Toyota Corolla, in front of the Notre Dame girls' school.

When Cook, who was driving, opened the door to ask what was going on, he was immediately dragged away and the kidnappers fled.

A Malacanang report said "negotiations for the release of the victims are going on."

Initial investigations showed the kidnappers are reportedly members of the Moro National Liberation Front Lost Command Team 80.

Acting Defense Secretary Feliciano Gacis Jr. reported to President Aquino that the 3rd Marine Brigade and the Sulu Philippine National Police Command immediately undertook "measures to effect the rescue of the hostages."

Major General Gumersindo Yap, Southern Command chief, immediately proceeded to Jolo to oversee the operations, Gacis told the president.

Also yesterday, Steve Pabrua, an official of the Christian Missionary Alliance of Churches in the Philippines, appealed over government radio for the victims' release.

"I am appealing to our Muslim friends to release our missionaries," Pabrua said over DXMR Radio. "We do not have money. We have only the love of Christ to share to everyone."

He said the two Americans had gone to Jolo to attend a conference of the Christian Missionary Alliance.

"Our missionaries are there to evangelize, to preach the love of God, and they are aware of whatever consequences they will face in their mission," he said. "They are even willing to die as missionaries as they have committed their lives to the service of God."

Muslims make up the overwhelming majority of the population of Sulu. Muslims are celebrating the month of fasting, Ramadan, when religious sensitivities are at their highest.

Philip Parsons, administrator of Faith Academy, said Rectanus arrived in October. Allen had been in Manila about five years.

Manglapus Says Communists 'No Longer' Threat

HK1903094492 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 19 Mar 92

[By Rey Arquiza; italicized passages in English]

[Text] The communist movement in the country no longer has strength because it has lost both local and foreign support. This was stated by Foreign Affairs Secretary Raul Manglapus during an interview with reporters in Chile. Manglapus said: *While some followers of the left movement are still struggling to exist, they are no longer a direct and immediate threat to the Philippine democracy.* The communists in the country, Manglapus added, have lost support from China, the Commonwealth of Independent States, North Vietnam and other communist or Marxist powers. Manglapus, however, admitted that the remaining communists in the country still derive support from other European foundations,

most of which are religious organizations. Manglapus boasted that the Philippine experience should be copied by Chile and other countries to prevent them from falling into the hands of the communists. Manglapus said: *The Philippine Government has had to take steps which could be described as moderate [word indistinct] in order to avoid falling into the trap of being instruments of extreme leftist or extreme rightist movement.*

Military Battles NPA Rebels in W. Mindanao

HK1903060892 Manila PHILIPPINE DAILY INQUIRER in English 19 Mar 92 p 10

[By Joey Ybanez]

[Text] Labangan, Zamboanga del Sur—Twenty-four communist guerrillas and 10 soldiers have been killed in a series of clashes between the Army's First Infantry Division and the New People's Army [NPA] in Western Mindanao.

Brig. Gen. Reymundo T. Jarque, commanding general of the First Infantry Divison based here, told newsmen that 39 soldiers and 11 NPA rebels were also wounded during the 39 encounters in the Zamboanga del Sur, Zamboanga del Norte, Misamis Occidental and Lanao del Norte.

Jarque said his division, including troops from the 101st and the 102nd Army Brigades, has launched "Oplan [operation plan] Strike Back" aimed at constricting NPA guerrilla zones and bases in the region. The NPA operates in as many as six guerrilla fronts.

In Zamboanga del Norte, soldiers from the 32nd Infantry Battalion led by Lt. Col. Philip Rabago overran Monday [16 March] another NPA camp complete with bunkers, mess hall, and communication center at Barangay Fremagas in Katipunan town.

On the same day, soldiers from the 4th Infantry Battalion killed Ignacio Dari, alias "Ka [comrad] Bakyot," allegedly the No. 2 NPA commander in Baganian peninsula.

Jarque said a total 34 high-powered firearms were recovered from the rebels while the government lost 10 firearms.

Most of the wounded government soldiers were hit by land mines laid by the rebels.

During the week, a company of Scout Rangers from the First Infantry Division stormed the main NPA base in Western Mindanao.

The NPA could be overrun by weekend [as published], Col. Emilio de Leon of the 101st Army Brigade told the INQUIRER here.

Heavy fighting has been going on for the past two weeks.

Thailand

Reinforcements Sent To Prevent Burmese Intrusions

BK1903015792 Bangkok BANGKOK POST in English 19 Mar 92 p 1

[Excerpts] Mae Sot—About 1,000 more infantrymen and four more 105mm artillery pieces have been sent to this border district to prevent further violations of border sovereignty by Burma.

The move is in response to Burmese forces stepping up their offensive against Karen National Union camps opposite here and Mae Hong Son.

The troops and heavy weapons were positioned along the border yesterday afternoon.

Another two 155mm guns were also on the way from Phitsanulok to Mae Sot.

Yesterday's reinforcements are in addition to a cavalry battalion with two 105mm artillery pieces sent to Mae Sot on Monday [16 March] after heavy fighting between Rangoon troops and Karen rebels protecting Kawmoorah Camp erupted over the weekend.

A large number of artillery shells landed on Thai soil at Ban Wang Kaeo and about 100 Burmese troops crossed the border to Ban Nong Wua Daeng in order to attack the Karen camp from the rear.

It is not clear whether these troops have yet withdrawn. [passage omitted]

It was all quiet on the Burmese side of the border yesterday. Only one mortar round was heard.

A meeting of commanders of all border defence forces including the Border Patrol Police, provincial police and administrative officials was held yesterday at Task Force 34 headquarters, chaired by Third Army Corps commander Lt-Gen Yingyot Chotiphimai.

The meeting was held to map out strategy for defending the border.

Lt-Gen Yingyot said the reinforcements were sent to Mae Sot by the Third Army to protect the lives and property of local people, not to engage in battle with any force.

"Thailand adheres to the policy of being a good neighbour of Burma. If there is any problem, we will try to solve it through the local and regional border committees," he said.

"If an air strike is needed to stop a border violation, either by force or by fire power, we will seek support from the Air Force," he added.

In Mae Hong Son, Thai planes bombed Burmese positions on the Thai side of the border on Tuesday [17 March]. [passage omitted]

In Bangkok, Army secretary Maj-Gen Chaturit Phromsakha na Sakon Nakhon said Supreme Commander and Army Chief Gen Suchinda Khraprayun was concerned about the border situation.

Gen Suchinda has ordered the Third Army to protect the lives of the people and evacuate them if necessary, he said.

Maj-Gen Chaturi confirmed reinforcements had been sent to Doi Saeng in Mae Hong Son.

An unconfirmed report said Gen Suchinda would fly to Mae Hong Son today on an inspection tour.

Minister Asa on Drug Center, Burmese Intrusions

BK1803154392 Bangkok Army Television Channel 5 in Thai 1230 GMT 18 Mar92

[Text] The United Nations has selected Thailand as the site of its regional center for narcotics suppression. Foreign Minister Asa Sarasin met and discussed the plan with UN Drug Control Program Director Giorgio Giacomelli today at the Foreign Ministry. Asa said the United Nations has selected Thailand as the site because Thailand already has been coordinating narcotics suppression with its neighbors.

[Begin Asa recording, in progress] We have made great achievements in efforts to prevent and suppress narcotics trafficking. They therefore think that Thai officials are ready for the work. Moreover, Thailand is considered to be a suitable location because of its proximity to ASEAN, Indochina, and Burma. Compared with others, Thailand should be the best in terms of location for the center. [end recording]

On Burmese troops' and aircraft firing and strafing of the Karens and other ethnic minorities along the Thai-Burmese border, which has caused damage and difficulties to border residents in Thailand, the foreign minister said he has invited the Burmese foreign minister for an explanation. He added he was assured by the latter that Burma has no intention of escalating the tension and that instructions have been given to the Burmese troops.

[Begin recording, Asa in progress] We were concerned about the possible impact on Thailand of their attacks on the Karen rebels. We told them that Thailand would be forced to retaliate in case of a spillover, and in that manner there could be an escalation in violence, which we do not want. I asked him to convey our concern to his government. He assured us that that was definitely not the intention of his government. He said the troops at the border had been told not to make any intrusions.

[Unidentified reporter] What about the spillover in the past? We have suffered losses from their shellings. Our people's houses have been hit.

[Asa] Well, that has happened for many years. No matter how we complain, they refuse to accept the responsibility. [end recording]

'100 Rangoon Government Spies' in Bangkok

BK1903030992 Bangkok BANGKOK POST in English 19 Mar 92 p 2

[Excerpt] Some 100 Rangoon government spies are working in Bangkok, closely monitoring Burmese prodemocracy groups and other opponents of the Burmese military junta who have sought refuge in Thailand, Information Minister U Hla Pe of the parallel Burmese government claimed yesterday.

U Hla Pe said many agents of the Burmese military intelligence were working in the guise of businessmen, while some were employed by the United Nations High Commissioner for Refugees (UNHCR).

He said his National Coalition Government of the Union of Burma (NCGUB) had a list of these agents, some of whom came to Thailand as businessmen who had joint ventures with Thais.

U Hla Pe's claims came amid reports that Thai intelligence officers had obtained information that the Burmese junta, officially called the State Law and Order Restoration Council (SLORC) had fielded hundreds of military intelligence agents in Thailand and Thai-Burmese border areas.

Last week, Thai intelligence officers made an intensive investigation into the background of many Burmese whose applications for resident status in Thailand were endorsed by the Burmese Embassy.

Meanwhile, Bo Hla Tint, the NCGUB's minister for construction, mining and energy resources, claimed that every pro-democracy group in Burma had been infiltrated by the junta's agents.

The agents were supported by huge budgets to carry out intelligence work, he said, adding that between 1989-1990 they had spent at least eight million baht in their efforts to gather information on the NCGUB.

Bo Hla Tint, who spends most of his time at the Karen National Union's Manerplaw headquarters, also said Burmese resistance forces would be able to to repulse some 10 battalions of Rangoon forces now trying to capture Manerplaw. [passage omitted]

Outgoing Cabinet Approves Budget for L-39 Jets

BK1803021192 Bangkok THE NATION in English 18 Mar 92 pp A1, A2

[Excerpts] The outgoing Anan administration, meeting formally for the last time yesterday, approved a balanced budget plan for fiscal 1993 and yielded to the air force's controversial demand to buy L-39 Albatros training jets.

Prime Minister Anan Panyarachun, who thanked his Cabinet members at the end of the 12-hour meeting for their "sincere cooperation" during his one-year tenure, told reporters last night: "I'm pleased we have worked honestly until our last days."

The decision to rush through the next national budget was apparently intended to ensure that the new government will have to adhere to expenditure provisions.

For four consecutive years the budget has been balanced with public expenditure, which is projected at Bt[baht]545 billion in fiscal 1993, up 18.4 per cent from the current fiscal year ending in September.

The 1993 budget was among many major projects approved by the military-installed interim Cabinet during its final meeting. [passage omitted]

While the Anan Cabinet's budget plan was unexpected and could lead to controversy, the decision on the L-39 aircraft could immediately trigger criticism of the interim administration.

Prime Minister's Office Minister Phaichit Uathawikun said the Cabinet made the decision on the air force request after having representatives of the Budget Bureau and the air force work out a new proposal on the much-criticized purchase plan.

The Cabinet accepted the plan after the number of Czechoslovakia's aircraft sought by the air force was reduced from 50 to 36, Phaichit said.

The Cabinet had earlier shelved the air force's plan after the prime minister doubted the air force could still abide by a Cabinet budget resolution if it bought the aircraft. The Cabinet resolution limits the spending capacity of the air force to only 75 per cent of its annual budget.

According to Phaichit, buying 36 L-39 jets, which would cost about Bt4 billion, would still result in the air force breaching the resolution but "at least the reduction in the number of aircraft makes things better".

At a press conference after the meeting Anan admitted that the L-39 purchase would result in the breaching of a Cabinet resolution.

But he noted: "Even before this L-39 thing came up, the air force was already spending more than the limit."

He said the air force complained that old training jets, in service for three decades, would cause safety problems.

"I don't know why they did not try to improve the safety standard in the past," he said.

Military Still Controls State Enterprises

BK1903021392 Bangkok THE NATION in English 19 Mar 92 p A8

[Editorial: "Generals Clinging to the Old Patronage System"]

[Text] Communication Minister Nukun Prachuapmo wondered out loud the other day whether the Telephone Organization of Thailand [TOT] was still under the supervision of his ministry. He just couldn't make TOT, particularly its president, Phaibun Limpaphayom, move any faster to process documents from the four bidders competing for the provincial telephone expansion project which will set up one million new lines. The obvious foot-dragging uspet both Nukun and Prime Minister Anan Panyarachun, yet neither seemed to be able to do anything. Why?

Phaibun is quite direct in response to this question: "My bosses are at Suan-ruen (the Army headquarters.) That's why I rarely go to the (Communications) Ministry."

Strictly speaking, Phaibun answers to only the TOT's board of directors, whose chairman is Deputy Army Commander Gen Itsaraphong and Army Chief-of-Staff Gen Wirot Sangsanit, who is a deputy communications minister in charge of TOT. So yes, TOT is still under the supervision of the Communications Ministry, but not necessarily answerable to Minister Nukun.

Plum Jobs

Meanwhile, at Thai Airways International [THAI], people in top management seem to feel they owe their jobs and allegiance only to Air Force Commander ACM Kaset Rotchananin chairman of THAI's board of directors. THAI president ACM Wira Kitchathon often leads his men to play golf with ACM Kaset on Wednesdays to develop a closer working relationship between the two sides.

Both Nukun and Anan have chided Wira and the THAI management for "inefficiency" and "unprofessional" administration in running the Thai national airline. They even advised THAI to seek outside professional help in streamlining the mammoth THAI organization to increase efficiency and profits.

The Navy, on the other hand has its turf at the Port Authority of Thailand [PAT]. After Adm Wichet Karunyawanit was prompted to be navy commander, he quietly removed PAT director Capt Phongsak Wongsamut and appointed a close friend, Vice Adm Somnuk Thepphawan, to head the port authority.

The armed forces' control of lucrative state enterprises dates back to the days of military dictatorship in the 50's and 60's. Plum jobs were handed out to senior officers in return for their support in the patronage system. The military's justification for controlling state enterprises in transport and communications has always been that this sector directly concerns national security.

However, military control in state enterprises was and still is the biggest hindrance to modernization and privatization in this sector. The case of TOT is clearly an example. The army generals who dominate TOT will admit they realize the enterprise needs to raise huge funds somehow to invest in the much needed expansion of telephone services. Yet they oppose any transformation of TOT into a public company to sell shares to the public. They would rather let private investors take over key expansion projects, including the installation of two

million new lines in Bangkok and the other million in the provinces. Soon TOT will be dwarfed by new private telecommunications firms.

Crucial Test

Nukun and Anan have courageously worked to make transparent the process TOT has used to review bids for the provincial telephone expansion project—much to the displeasure of some generals.

This could be the crucial test of whether the military is ready to yield to common sense and openness. Unfortunately, the generals seem to have gained the upper hand and it looks likely that they will have a final say on who will win the bidding.

We are approaching the 21st century. Yet the Thai military still clings to the old patronage system and refuses to let go of the state enterprises under their control. The same mentality also manifests itself in military intervention in national politics.

So long as the military has a domineering political role, its control of state enterprises will also continue. The attempt by Nukun and Anan to loosen the generals' grip has not succeeded for the same reasons that prevent anything being done to curb the military's influence in national politics.

Bangkok Threatens To Quit Mekong Committee

BK1903030592 Bangkok BANGKOK POST in English 19 Mar 92 p 3

[Text] Thailand could opt out of regional efforts to develop the Mekong River if forced to sacrifice use of the river's resources to enable the re-entry of Cambodia.

Deputy Foreign Minister Wichian Watthanakun said yesterday Thailand had done its utmost but now had its "back against the wall" after putting forward options he maintained were "transparent and flexible."

"If pushed further, we might not be able to stay in this framework. Some people believe we can develop the Northeast without being in the Mekong Committee," he said.

Thailand and Vietnam have been at odds over the reactivation of the Mekong Committee with the return of long-absent Cambodia. Thailand is concerned that this should not come at the expense of its Khong-Chi-Mun development project in the Northeast.

Mr Wichian said that even though unilateral use of the river's resources was a possiblity, the Foreign Ministry still believed a regional framework could provide a desirable structure.

A working group would pursue a solution based on mutual accommodation and benefits, he said.

Thailand called an informal meeting of states bordering the river (riparian states) here last Sunday but Vietnam did not attend.

Sources said the timing of the meeting was based on hopes that an agreement on Mekong cooperation could be among the last achievements of the Anan Panyarachun government.

It may be more difficult under an elected government to bring about an arrangement of mutual accommodation and benefits as parliamentary representatives from the Northeast could protect the crucial interests of their electorates more jealously, they said.

Thailand has proposed that another informal meeting be held next month to discuss its proposal to restructure the Mekong Committee, set up in 1957.

The "Basic Concept for Restructuring the Regime of Cooperation in the Mekong" was tabled at last Sunday's informal meeting which brought together Thailand, Laos and Cambodia.

Vietnamese Ambassador to Thailand Nguyen Trung received the paper from Mr Wichian yesterday.

Laos was enthusiastic at Sunday's meeting yet "hesitant" about the Thai proposal, said Mr Wichian. He said it was difficult to determine Cambodia's reaction "because there are four factions".

Mr Wichian stressed that the restructuring had to be relevant to today's situation. He said the basic documents adopted 35 years ago were drafted on purely technical grounds.

"We have to take into account the legal, political and diplomatic implications as well," he said, adding that Thailand's vital interests could be jeopardised under the old rules.

Vietnam

CPV Delegation Visits Shanghai

BK1903065992 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 15 Mar 92

[Text] On 12 March, the CHINA LIBERATION newspaper reported on its front page the reception given by Comrade Wu Bangguo, secretary of the Shanghai Municipal Committee of the Communist Party of China, to the delegation of the Communist Party of Vietnam [CPV] led by Le Phuoc Tho, member of the CPV Political Bureau, secretary of the CPV Central Committee, and director of the CPV Organization Department.

The report said Comrade Wu Bangguo heartily welcomed the delegation and briefed the delegation on the party building work in Shanghai. Comrade Le Phuoc Tho said that under the CPC leadership, the PRC economy has developed very quickly in the last 10 years and Chinese people's living standards have improved

greatly. He expressed his belief that under the lines of the renovation and the open-door policy, development in the PRC will be even greater.

The report also said that the CPV delegation visited Ma Loc hamlet, where the first CPC congress was held, and Southern City Bridge in Shanghai. On 12 March the delegation left Shanghai for Shenzhen.

Visits Guangdong

BK1903065792 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 16 Mar 92

[Text] On 15 March, the delegation of the Communist Party of Vietnam [CPV] led by Comrade Le Phuoc Tho, member of the CPV Political Bureau, secretary of the CPV Central Committee, and director of the CPV Organization Department, left Shenzhen for Guangdong, China. The delegation visited the office of the Vietnamese Revolutionary Youth Association and (Huang Huakuang) Park to visit the tomb of fallen combatant Pham Hong Thai.

Comrade Gou Rongchang, deputy secretary of the Communist Party of China in Guangdong Province, gave a reception and banquet in honor of the delegation at the White Swan Hotel.

Returns Home

BK1803155592 Hanoi VNA in English 1441 GMT 18 Mar 92

[Text] Hanoi VNA Mar 18—A delegation of the Communist Party of Vietnam led by Le Phuoc Tho, Politburo member and secretary of the party Central Committee, has returned here concluding its 11-day visit to China.

While in China, the Vietnamese delegation was received by Secretary General of the Communist Party of China Central Committee Jiang Zemin, and had working session with Song Ping, Political Bureau member of the C.P.C. Central committee.

It visited a number of economic and cultural establishments in Beijing, Shanghai, Guangzhou. The delegation toured a site where the late President Ho Chi Minh had opened a training course for Vietnamese revolutionaries in the first days of the anti-French war.

China To Help Modernize Steel Industry

BK1903071792 Hanoi VNA in English 0601 GMT 19 Mar 92

[Text] Hanoi VNA March 19—China is to help Vietnam modernise its steel industry, the CHINA DAILY said on Tuesday [17 March].

Under the plan, the China Metallurgical Construction Corp. (MCC) will send experts and equipment to update mills built in the 1960's with Chinese aid, MCC General Manager Wang Chengyi was quoted as saying.

The overhaul will target the South Vietnam Steel Union, which has an annual steel production capacity of 40,000 tonnes, and the Thai Nguyen Steel and Iron Co. in northern Vietnam with a production capacity of 80,000 tonnes, the English-language paper said.

Chinese authorities said a formal contract could be signed in May but they said forms of payment were yet to be agreed on.

"Our two partners proposed paying partly with hard currency and the rest in mineral and agricultural products," Wang said, adding, "we are considering the suggestion."

Belarus Delegation Arrives for Visit

BK1803160792 Hanoi VNA in English 1431 GMT 18 Mar 92

[Text] Hanoi VNA March 18—A governmental delegation of the Republic of Belarus led by N. N. Kotikov, vice chairman of the Council of Ministers, arrived here today for a working visit to Vietnam at the invitation of the Vietnamese Government.

It was met at the government's guest house by Tran Duc Luong, vice chairman of the Council of Ministers Do Quoc Sam, head of the State Planning Commission Vu Khoan, Deputy Foreign Minister and Le Kim Lang, deputy minister of commerce and tourism. Ambassador of the Russian Federation Khamidoulin was also present.

It was received the same day by Vice Chairman Tran Duc Luong who welcomed the guests' visit as a manifestation of goodwill in promoting the friendship and cooperation in the economic and commercial fields between the two countries.

For his part, vice chairman N. N. Kotikov stressed his country's desire to enhance the mutually benifical cooperation with Vietnam.

He said the visit is a good opportunity to inquire into possibilities for economic and commercial cooperation which may lead to the signing of cooperation agreements between the two countries.

Bank of America Team Visits, Signs Agreement

BK1803145192 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 12 Mar 92

[Text] Under an agreement reached between the Vietnam Commercial Bank and Bank of America, on 11 March 1992, Bank of America's Vice President Greenberg paid a working visit to the Vietnam Commercial Bank. Deputy Director General Ha Huy Sung and Deputy Director General Nguyen Van De cordially received and had a working session with His Excellency Greenberg and other Bank of America officials.

Deputy Director General Ha Huy Sung welcomed Bank of America's goodwill as manifested by its efforts to create favorable conditions for Vietnamese living in the

United States to send money to their relatives in Vietnam. He hoped that the cooperation between the Vietnam Commercial Bank and Bank of America will continue to develop further on the basis of mutual interest.

On the evening of 11 March, Deputy Director General Ha Huy Sung and Bank of America's Vice President Greenberg signed an agreement on family remittance service for Vietnamese living in the United States through the Bank of America and the Vietnam Commercial Bank. The agreement was signed with immediate effect.

Attending the signing ceremony were Mr. Le Van Chau, deputy director of the Vietnam State Bank, and representatives of the Ministry of Foreign Affairs and other agencies concerned.

UNESCO Director General Arrives in Hanoi

BK1803153292 Hanoi VNA in English
1414 GMT 18 Mar 92

[Text] Hanoi VNA March 18—The director general of the United Nations Educational, Scientific, and Cultural Organization (UNESCO), Federico Mayor, arrived here this afternoon for a visit as guest of Foreign Minister Nguyen Manh Cam.

The UNESCO leader and his party were greeted at the government's guest house by Foreign Minister Nguyen Manh Cam, President of Vietnam UNESCO Committee Nguyen Dy Nien, and others.

Mr. David Smith, coordinator of U.N. agencies and resident representative of the United Nations Development Program, was also present.

Changing SRV-Cambodian Relations Discussed

BK1403122592 Bangkok BANGKOK POST in English
14 Mar 92 p 4

[Article from the "Cambodian Diary" column by Jacques Bekaert: "The View From Hanoi"]

[Text] It is probably in 1985, following changes in the Soviet Union, that some of the top leaders in Hanoi realised that their desire to keep Cambodia as a kind of "little brother" would never fully work. Sources in Cambodia and Vietnam agree that 1985 was a kind of turning point.

From a military point of view it looked good. The dry seasons of 1984-85 had been especially successful and practically all the border camps of the resistance had been wiped out by the so called Vietnamese "volunteers". "Not only did we take over control of most Khmer Rouge positions, in Pailin and the Phnom Malai," explained General Hoang Phuong, the director of the military Institute in Hanoi, "but we built the K5 defence line along the border. Even if K5 was not completely waterproof, it made large scale infiltrations a lot more difficult."

K5 never fully prevented the resistance from moving supply inside the country and its political cost was very high. The construction of K5 is one of the factors that still today makes the Phnom Penh regime fairly unpopular. Vietnam, with Soviet assistance decided to accelerate the establishment of a reliable Cambodian Army. A few elements of the Cambodian People's Revolutionary Army (as it was then called; the word "Revolutionary" was dropped in 1989) had taken part in the 1984-85 campaign, but their contribution had been marginal. With Soviet equipment, and Vietnamese and Soviet training, a slightly more reliable force came into existence.

From a political point of view, problems were fast accumulating. The Vietnamese economy was not performing well, more radical reforms were necessary, leading to the 6th Congress of the Communist Party in 1986, which marked the decision of the party to allow market economy play a major role in the country. And then there was Gorbachev in the USSR and the message that Vietnam could not count forever on Soviet assistance, that the Soviet Union wanted a political solution to international problems like Cambodia.

Vietnamese sources now say that two reasons dictated the final withdrawal of 1989: the conviction that the Phnom Penh regime would be able to stand on its own feet and the desire to put an end to the Cambodian involvement of Vietnam to join the world community. Vietnamese civilian leaders, especially former Foreign Minister Nguyen Co Thach knew the time had come for Vietnam to extricate itself from the Cambodian problem and end decades of isolation from the mainstream of world's commerce and development.

Three years ago a very reliable source in the Communist Party of Vietnam told me "Ambassador Ngo Dien will stay in Phnom Penh until the return of Prince Sihanouk." He was right. More and more Hanoi saw the prince as the best person to maintain Cambodia on a middle course. The "Chinese and the Vietnamese finally agreed that the war made no sense and that Sihanouk was their best chance for a durable peaceful solution" the prince himself said recently in Phnom Penh.

Vietnam has finally come to terms with its Cambodian adventure, said a senior Diplomat in Hanoi. A Vietnamese military source said that although the Cambodian campaign had often been a bitter experience for the People's Army of Vietnam (PAVN), the army had no choice but to accept the decision of the political leadership. Fighting in a foreign land is never a desirable otion, added the source.

Vietnam is too involved with its own problems to pay much more attention to Cambodia's internal situation, another diplomatic source said. He was echoed by a Vietnamese party official who said that "Cambodia has

been a painful lesson, and we paid a dear price for some initial mistakes. It is an error we never want to repeat again.'

The mistakes, several Vietnamese sources believe, was not the initial military attack against the Khmer Rouge. "The Polpotists had attacked Vietnam, massacred its civilian population; they had to be warned never to threaten Vietnam again," explained one source in Ho Chi Minh City. The mistake was to stay, to believe that Vietnam could rule Cambodia. "We should have gone out of Cambodia long ago," said several senior Vietnamese sources. "We should have left Cambodia to the UN."

Whether Vietnam keeps a few soldiers in Cambodia or not is at this stage pretty irrelevant. The UNTAC should be able to deal with this problem, said a Western dipomat in Hanoi. What matters is that Vietnam has accepted, once and for all, that Cambodia must be fully independent. A Vietnamese source declared that Vietnam must hope for a friendly Cambodia. "In that sense Sihanouk has done a lot to reassure Vietnam since he came back to Phnom Penh," remarked a military source in Hanoi.

Vietnam of course is not anxious to see the hundreds of thousands of settlers presently living in Cambodia return suddenly to Vietnam. At least not in the near future. "Vietnam does not even want to see a few hundred students and workers who left Eastern Europe for Holland come back," noted a Western diplomat. Vietnam is fighting against unemployment. It is facing the return of boat people from Hong Kong. It costs $5,000 to provide employment for one person, explained a Vietnamese economist.

So Vietnam is learning to live with a Cambodian leadership it can no longer control. Hanoi knows very well that neither Chea Sim nor Sar Kheng are pro Vietnamese. It discovered with annoyance that Mr Hun Sen listens less and less to advice from Hanoi. "Heng Samrin was their best friend," said an Eastern European diplomat with experience both in Cambodia and Vietnam. "He would always do what they wanted, even if he did not like it." But Heng Samrin is now a mere figurehead and everybody knows that the true president of Cambodia is Prince Sihanouk.

The best Vietnam can do is try to establish normal and friendly relations with Cambodia. And be ready in case something goes wrong across the border and the Khmer Rouge or any hostile force to Vietnam decides to repeat the agressive behaviour of the late Seventies.

Already last December the party newspaper Nhan Dan (the People) had explained that a "major strategic readjustment in the deployment of forces on a national scale had been completed." What Nhan Dan did not write was that units had been moved from the Chinese border with Cambodia. Several sources in Hanoi confirmed the redeployment. Sources in Ho Chi Minh City told us that the Vietnamese government was doing its best to "stabilise" civilian populations in border provinces, including the 1.5 million Khmer Krom, Vietnamese of Khmer origin living in the South.

Another problem faced by Vietnam at the Cambodian border is extensive smuggling. Smuggling is fast becoming one of Vietnam's number one problems, and causes huge loss in tax revenues to the state. Custom and party sources claim that the Vietnamese army itself is engaged in large scale smuggling.

There is also plenty of legitimate economic opportunities for the two nations, Vietnamese consumer products are getting better and should satisfy people in Cambodia. Only the reluctance of many Cambodians to buy anything Vietnamese could create problems. Hanoi has first hand experience of Cambodian nationalism, especially during the past decade and Hanoi probably learned how far it can go.

Former Ambassador to Cambodia Ngo Dien often warned against the danger of too much Vietnamese presence. "In 1979 we were too arrogant, too proud. We had just defeated the French, the Americans," said a long time party member who served in Cambodia after 1979. "We believed no one could resist us. We though we could easily control Cambodia and the conservative leadership in Moscow encouraged that belief. If you look at what Vietnam wanted in 1979 you could say that we lost in Cambodia, fortunately for the Cambodians and for ourselves."

The Vietnam of 1992 is very different of that of 1979, indeed. More realistic, more pragmatic, better informed and its desire to establish friendly and equal relations with the rest of the world, especially with its neighbours appears sincere enough. It won't be exactly a honeymoon between Cambodia and Vietnam. But the elements of more mature, more equal relations do exist.

Hanoi has already discreetly expressed it desire to solve the ever delicate question of border delimitation. And Hanoi even admits, in private, that in some cases, Vietnamese farmers went a bit too far in their urge to cultivate every available inch of land.

Australia

Evans Hails Outcome of South African Referendum

BK1903073192 Melbourne Radio Australia in English 0500 GMT 19 Mar 92

[Text] Australia's Foreign Affairs Minister Gareth Evans has hailed the outcome of the South African referendum. Senator Evans, who is in Geneva, told Majella Anning the development would probably lead to a rapid dismantling of remaining sanctions.

[Begin recording] [Majella Anning] Senator Evans said the vote was a magnificent endorsement to the courage of leaders like Nelson Mandela and President De Klerk and a best possible boost to the reform process.

[Gareth Evans] It does absolutely not guarantee the rapid conclusion of the endgame to this whole process. It is going to take some time to work through the details of an interim government and constitutional details, but clearly the momentum now is absolutely reversible and it is a marvelous result.

[Anning] Senator Evans said he believed the level of sporting sanctions had been crucial and while Australia would not lift remaining sanctions immediately, it will not be long. [end recording]

Foreign Minister Explains Policy on East Timor

BK1803061692 Melbourne Radio Australia in English 0500 GMT 18 Mar 92

[Text] Australia's foreign affairs minister, Gareth Evans, has told his Portuguese counterpart that Portugal is being cruel in raising the expections of East Timorese. European correspondent, Majella Anning, says Senator Evans held talks with the Portuguese foreign minister, Joao de Deus Pinheiro, in Lisbon.

[Begin Anning recording] Sen Evans made it clear he did not believe the international community was going to come to the aid of the East Timorese and it was counterproductive for Portugal to give them that impression. He said Portugal's only record in East Timor was a disgraceful colonial administration, and he reiterated Australia's view that Indonesia's annexation of East Timor was irreversible.

The Portuguese foreign minister told Sen. Evans he disagreed entirely with the Australian Government's position and said Portugal would continue to push for international attention on East Timor. [end recording]

Treasurer Speaks on Competition With Japan

BK1803045892 Melbourne Radio Australia in English 0500 GMT 18 Mar 92

[Text] Australia's treasurer, John Dawkins, has played down reports that the nation could lose a significant part of its trade in car components to Japan. The head of the Australian Trade Commission says the country will lose a market share as a result of a recent agreement between Tokyo and Washington to increase imports of American car parts. Mr. Dawkins says he will be using a forthcoming visit to Japan to underline the competitive nature of the Australian industry, however.

[Begin Dawkins recording] I will simply be making the point that in Australia we are not making capricious policy in relation to our industries a la the Americans where they have suddenly realized that they have gotten an uncompetitive sector and they apply pressure on Japan to restrain their exports to the United States. It is an old habit that they have yet to be rid of. What we are about is trying to make our industry competitive and one which can work in a coordinated fashion with the Japanese industry. [end recording]

National Account Figures Show Positive Growth

BK1703060292 Melbourne Radio Australia in English 0500 GMT 17 Mar 92

[Text] The Australian economy has gone into positive growth for the first time since the economy went into recession at the end of 1990. But Tony Hastings' report from Canberra the figures are being treated with caution:

[Begin recording] [Hastings] The latest national account figures show Australia's average growth domestic product grew by 0.3 percent in the quarter that finished at the end of Decemeber. But the figures are confusing because the Bureau of Statistics has adopted a new method of measuring GDP. So depending on whether the old or new method is used, Australia up to the end of December experienced either three months or six months with positive growth.

Either way, it is a welcoming news for the government which faces a crucial by-election in April, but with unemployment still over 10 percent and Japan beginning to experience economic difficulties, there is skepticism about the strength of any recovery. [end recording]

Papua New Guinea

Premier on Commando Raids on Solomon Islands

BK1903071892 Melbourne Radio Australia in English 0610 GMT 19 Mar 92

[From the program "International Report"]

[Text] Papua New Guinea has denied its commandos have carried out two crossborder raids into the Solomon Islands in the past week. The commando raids, confirmed by the Solomon Islands Police Commissioner Fred Sowaki, were to destroy a supply of fuel which was to be smuggled to Bougainville rebels.

At a news conference in Port Moresby, Prime Minister Rabbie Namaliu denied knowledge of the raids, saying if they occurred it was without approval from his cabinet or Defense Force Headquarters. A short time later, the

Prime Minister's Department said the raids had definitely not taken place. Port Moresby correspondent, Brian Abbott reports:

[Begin recording] [Brian Abbott] Prime Minister Rabbie Namaliu said the government was seeking urgent clarifications from the Defense Forces on the reported incursion by PNG [Papua New Guinea] commandos into Solomon Islands territory. He said there had been no approval either by cabinet or, as far as he was aware, by the Defense Force Headquarters in Port Moresby.

If the raids had taken place it was unacceptable to the government, an apology would be made immediately to Solomon Islands, and steps would be taken to ensure that such behavior by the Defense Force was not repeated again. Mr. Namaliu rejected a description of the raids by Solomon Islands Police Commissioner Fred Sowaki as like a declaration of war.

[Rabbie Namaliu] Well, as I said, we I cannot confirm that at this point, but I think it is going a bit too far to describe anything of that sort as a declaration of war. We do not have any intention of declaring war on anyone, never mind the BRA [Bougainville Revolutionary Army]. I mean our whole approach so far is to find a lasting solution through negotiations. Our security forces over there have been assisting the authories to get order back on the ground and to assist with the rehabilitation program and there has been no intention to go back to fighting anyone.

[Abbott] Within an hour of leaving the news conference, I received a phone call from the prime minister's press secretary, John Harangu, saying the government had got clarification from the Defense Force and there was no truth in the stories of the raid.

Mr. Harangu said the only action by the Defense Force commandos last Tuesday night was the blowing up of 100 drums of fuel that the BRA was stockpiling at Buin in southern Bougainville in an effort to restart the power station at the abandoned CRA copper mine at Panguna.

PNG Defense Minister Benais Sabumei is expected to issue a more detailed statement later today. Back in the Solomon Islands, the cabinet is still meeting to decide what action to take over the PNG commando raids. Commissioner Sowaki, who confirmed the raids, says that as well as destroying the fuel depot on Fauro Island on Tuesday night, PNG commandos burned down three houses in the village of (Kairiki) and fired into other houses in the village. Commissioner Sowaki has no doubts that the raids did occur and that they were carried out by PNG commandos:

Would it surprise you to learn that Papua New Guinea has denied that the raids did take place. They say their soldiers have not crossed the border into Solomon Islands?

[Fred Sowaki] It is a total pack of lies PNG in Port Moresby is making.

[Abbott] They claim that the only thing that the Defense Force did on last Tuesday night was to destroy drums of fuel at Buin in southern Bougainville. Could you be that confused?

[Sowaki] I hope Port Moresby comes to realise the importance of speaking facts than telling lies to the world.

[Abbott] What action is your government now taking?

[Sowaki] The cabinet has been going on all morning and has not yet had a break. I do not know what will be the action. It is a joint meeting between, I mean, nearly all the leaders in the country are getting together.

[Abbott] They view the problem as that serious?

[Sowaki] It is so serious. I think in the past there has never been any crossing by the PNG that has been regarded by the Solomon Islands as serious as the one yesterday. [end recording]

Admission Follows Strong Denials

BK1903072692 Melbourne Radio Australia in English 0700 GMT 19 Mar 92

[Text] And now, here is an urgent late message. Papua New Guinea has finally admitted that its forces have made two cross-border raids into Solomon Islands to destroy a supply of fuel destined for rebels on Bougainville Island.

The government in Port Moresby says it is still awaiting a full explanation of the unauthorized commando raids from Defense Force commandos on Bougainville. The admission follows strong denials today from the PNG [Papua New Guinea] Government that the Defense Forces carried out the raids.

Solomon Islands

Police Commissioner Reports on PNG Raid

BK1803055292 Melbourne Radio Australia in English 0500 GMT 18 Mar 92

[Text] Papua New Guinea [PNG] Defense Force troops have again attacked an island in the Solomon Islands. Solomon Islands Police Commissioner Fred Sowaki says PNG soldiers landed in the village of (Karaka) this morning and set fire to a fuel dump that they had failed to destroy last Thursday night.

Commissioner (Sowaki) described the raid as irresponsible and said it was possible that Port Moresby did not know what the Defense Force soldiers were doing.

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